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May 15, 2015

Arizona Corporation Commission  
DOCKETED

MAY 15 2015

Docket Control  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, AZ 85007

DOCKETED BY

RE: Arizona Public Service Company Transmission Cost Adjustor ("TCA") Charges  
Docket No. E-01345A-11-0224

Pursuant to Decision Nos. 73262 and 73183, Arizona Public Service Company submits its calculated TCA rates, including all supporting data. This rate will go into effect with the first billing cycle in June 2015 (without proration), unless otherwise ordered by the Commission. The TCA rates will remain in effect for the subsequent 12-month period. APS estimates that the new TCA rates would decrease overall retail revenues by \$7.1 million annually.

The Open Access Transmission Tariff ("OATT") rates are approved by the Federal Energy Regulatory Commission ("FERC") and are designed to recover transmission costs from users of APS transmission facilities. The OATT rates are calculated and reset annually through use of a FERC approved formula. APS recovers its transmission costs, reflected by the FERC approved OATT rate, through the sum of two distinct rate components; (1) a transmission charge embedded in base rates established in APS's last rate case and (2) the TCA charge which accounts for changes in the OATT rate between APS rate cases.

Included within this compliance filing are the following attachments:

1. Attachment A - a non-redlined version of the new Adjustment Schedule TCA-1 Revision No. 11.
2. Attachment B - a redlined version of the new Adjustment Schedule TCA-1 Revision No. 11.
3. Attachment C - the numerical inputs used to develop the new TCA-1 rates.
4. Attachment D - the estimated monthly bill impacts of the new TCA-1 rates.

5. Attachment E – a table illustrating the percentage demand of each of the classes for the 2013 OATT and 2014 OATT as filed with FERC.
6. Attachment F – a table illustrating the transmission cost embedded in base rates, the current and proposed TCA rates, and the differences in the current and new rates.
7. Attachment G - actual and estimated transmission additions, dollars and estimated O&M for calendar years 2014 through 2016.
8. Attachment H – APS's Annual Update of transmission service rates pursuant to the APS OATT as filed with FERC.

If you have any questions regarding this information, please contact Stefanie Layton at (602) 250-4541.

Sincerely,



Lisa Malagon

LM/gad  
Attachments

cc: Steve Olea, Arizona Corporation Commission  
Maureen Scott, Arizona Corporation Commission  
Ranelle Paladino, Arizona Corporation Commission

# **ATTACHMENT A**



**ADJUSTMENT SCHEDULE TCA-1  
TRANSMISSION COST ADJUSTMENT**

**APPLICATION**

The Transmission Cost Adjustment ("TCA") charge shall apply to all Standard Offer retail electric schedules. All provisions of the customer's current applicable rate schedule will apply in addition to this charge.

**ANNUAL ADJUSTMENT**

Standard Offer rate schedules covered by this charge include a transmission component of base rates that was originally established at \$0.00476 per kilowatt-hour in accordance with A.C.C. Decision No. 67744. Decision No. 67744 also established the TCA. Decision No. 69663 modified the collection of transmission costs in retail rates to tie to the costs found in the FERC approved Open Access Transmission Tariff.

**RATE**

The charge shall be applied as follows:

Customer Class	TCA Charge
Residential	\$0.006565/kWh
General Service 20 kW or less	\$0.002954/kWh
General Service over 20 kW, under 3,000 kW	\$0.947/kW
General Service 3,000 kW and over	\$1.177/kW



# **ATTACHMENT B**



ADJUSTMENT SCHEDULE TCA-1  
TRANSMISSION COST ADJUSTMENT

APPLICATION

The Transmission Cost Adjustment ("TCA") charge shall apply to all Standard Offer retail electric schedules. All provisions of the customer's current applicable rate schedule will apply in addition to this charge.

ANNUAL ADJUSTMENT

Standard Offer rate schedules covered by this charge include a transmission component of base rates that was originally established at \$0.00476 per kilowatt-hour in accordance with A.C.C. Decision No. 67744. Decision No. 67744 also established the TCA. Decision No. 69663 modified the collection of transmission costs in retail rates to tie to the costs found in the FERC approved Open Access Transmission Tariff.

RATE

The charge shall be applied as follows:

Customer Class	TCA Charge
Residential	<del>\$0.006565</del> 0.007003/kW h
General Service 20 kW or less	<del>\$0.002954</del> 0.002610/kW h
General Service over 20 kW, under 3,000 kW	<del>\$0.9470</del> .822/kW
General Service 3,000 kW and over	<del>\$1.1774</del> .167/kW

# **ATTACHMENT C**

## TCA Rate Calculation - Plan of Administration

Line	Service Type	Residential \$/kWh (A)	GS≤20 kW \$/kWh (B)	GS > 20 kW and < 3MW \$/kW (C)	GS≥3 MW \$/kW (D)
1.	NITS	0.010735	0.006354	2.217504	2.598174
2.	Scheduling	0.000069	0.000056	0.0208	0.0236
3.	Regulation & Frequency	0.000267	0.000217	0.0813	0.0919
4.	Spinning Reserve	0.000618	0.000502	0.1879	0.2124
5.	Operating Reserve	0.000078	0.000064	0.0238	0.0269
6.	Energy Imbalance	0.000000	0.000000	0	0
7.	Total (Lines 1 thru 7)	0.011767	0.007193	2.531304	2.952974
8.	Included In Retail Base Rates	0.005202	0.004239	1.5848	1.7758
9.	TCA (Line 7) - (Line 8)	0.006565	0.002954	0.947	1.177

# **ATTACHMENT D**

ARIZONA PUBLIC SERVICE COMPANY  
Transmission Cost Adjustor projected Increase

AVERAGE MONTHLY BILL IMPACTS

	Current		Proposed		
	Average Monthly Bill <sup>1</sup>	Average Monthly Bill <sup>1,2</sup>	\$ Impact	% Impact	
<b>Residential (Avg - All Rates)</b>					
Average kWh per Month	1,100				
Base Rates	\$ 123.90	\$ 123.90			
PSA	\$ 0.98	\$ 0.98			
TCA	\$ 7.70	\$ 7.23	\$ (0.47)	-0.33%	
RES	\$ 4.42	\$ 4.42			
DSMAC	\$ 2.03	\$ 2.03			
EIS	\$ 0.12	\$ 0.12			
Four Corners	\$ 2.52	\$ 2.52			
LFCR	\$ 2.07	\$ 2.06	\$ (0.01)	-0.01%	
Total	\$ 143.74	\$ 143.26	\$ (0.48)	-0.33%	

SEASONAL BILL IMPACTS

	Current		Proposed		
	Summer Monthly Bill	Winter Monthly Bill	Summer Monthly Bill	Winter Monthly Bill	
\$	1,337	863	1,337	863	
\$	161.07	\$ 86.72	\$ 161.07	\$ 86.72	
\$	1.18	\$ 0.77	\$ 1.18	\$ 0.77	
\$	9.36	\$ 6.04	\$ 9.36	\$ 6.04	
\$	4.42	\$ 4.42	\$ 4.42	\$ 4.42	
\$	2.47	\$ 1.59	\$ 2.47	\$ 1.59	
\$	0.15	\$ 0.09	\$ 0.15	\$ 0.09	
\$	3.27	\$ 1.76	\$ 3.27	\$ 1.76	
\$	2.65	\$ 1.48	\$ 2.65	\$ 1.48	
\$	184.57	\$ 102.87	\$ 183.99	\$ 102.49	

Residential (Rate E-12)				
Average kWh per Month				
	Average Monthly Bill <sup>1</sup>	Average Monthly Bill <sup>1,2</sup>	\$ Impact	% Impact
Base Rates	691			
PSA	\$ 86.40	\$ 86.40		
TCA	\$ 0.61	\$ 0.61		
RES	\$ 4.84	\$ 4.54	\$ (0.30)	-0.30%
DSMAC	\$ 4.42	\$ 4.42		
EIS	\$ 1.28	\$ 1.28		
Four Corners	\$ 0.08	\$ 0.08		
LFCR	\$ 1.75	\$ 1.75		
Total	\$ 1.46	\$ 1.45	\$ (0.01)	-0.01%
	\$ 100.84	\$ 100.53	\$ (0.31)	-0.31%

	Current		Proposed		
	Summer Monthly Bill	Winter Monthly Bill	Summer Monthly Bill	Winter Monthly Bill	
\$	780	602	780	602	
\$	108.04	\$ 64.76	\$ 108.04	\$ 64.76	
\$	0.69	\$ 0.53	\$ 0.69	\$ 0.53	
\$	5.46	\$ 4.22	\$ 5.12	\$ 3.95	
\$	4.42	\$ 4.42	\$ 4.42	\$ 4.42	
\$	1.44	\$ 1.11	\$ 1.44	\$ 1.11	
\$	0.09	\$ 0.07	\$ 0.09	\$ 0.07	
\$	2.19	\$ 1.31	\$ 2.19	\$ 1.31	
\$	1.79	\$ 1.12	\$ 1.78	\$ 1.11	
\$	124.12	\$ 77.54	\$ 123.77	\$ 77.26	

Commercial XS (E-32)

	Current		Proposed		
	Average Monthly Bill <sup>1</sup>	Average Monthly Bill <sup>1,2</sup>	\$ Impact	% Impact	
Average kWh per Month	1,430	202.38			
Base Rates	\$ 202.38	\$ 202.38			
PSA	\$ 1.27	\$ 1.27			
TCA	\$ 3.73	\$ 4.23	\$ 0.50	0.21%	
RES	\$ 15.82	\$ 15.82			
DSMAC	\$ 2.64	\$ 2.64			
EIS	\$ 0.16	\$ 0.16			
Four Corners	\$ 4.11	\$ 4.11			
LFCR	\$ 3.36	\$ 3.37	\$ 0.01	0.00%	
Total	\$ 233.47	\$ 233.98	\$ 0.51	0.22%	

	Current		Proposed		
	Summer Monthly Bill	Winter Monthly Bill	Summer Monthly Bill	Winter Monthly Bill	
\$	1,575	1,285	1,575	1,285	
\$	233.37	\$ 171.39	\$ 233.37	\$ 171.39	
\$	1.40	\$ 1.14	\$ 1.40	\$ 1.14	
\$	4.11	\$ 3.35	\$ 4.65	\$ 3.80	
\$	17.42	\$ 14.21	\$ 17.42	\$ 14.21	
\$	2.91	\$ 2.37	\$ 2.91	\$ 2.37	
\$	0.17	\$ 0.14	\$ 0.17	\$ 0.14	
\$	4.74	\$ 3.48	\$ 4.74	\$ 3.48	
\$	3.85	\$ 2.86	\$ 3.86	\$ 2.87	
\$	267.97	\$ 198.94	\$ 268.52	\$ 199.40	

ARIZONA PUBLIC SERVICE COMPANY  
Transmission Cost Adjustor projected Increase

AVERAGE MONTHLY BILL IMPACTS

	Current		Proposed		
	Average Monthly Bill <sup>1</sup>	Average Monthly Bill <sup>1</sup>	Average Monthly Bill <sup>1,2</sup>	Average Monthly Bill <sup>1,2</sup>	
Commercial - S (E-32)	7,182	7,182			
Average kWh per Month	23.7	23.7			
Average kW per Month					
Base Rates	\$ 842.33	\$ 842.33	\$ 842.33	\$ 842.33	
PSA	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	
TCA	\$ 19.48	\$ 22.45	\$ 22.45	\$ 22.45	0.30%
RES	\$ 79.44	\$ 79.44	\$ 79.44	\$ 79.44	
DSMAC	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50	
EIS	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78	
Four Corners	\$ 17.10	\$ 17.10	\$ 17.10	\$ 17.10	
LFCR	\$ 14.33	\$ 14.33	\$ 14.33	\$ 14.33	0.01%
Total	\$ 996.34	\$ 999.36	\$ 999.36	\$ 999.36	0.30%

	Current		Proposed		
	Average Monthly Bill <sup>1</sup>	Average Monthly Bill <sup>1</sup>	Average Monthly Bill <sup>1,2</sup>	Average Monthly Bill <sup>1,2</sup>	
Commercial - M (E-32)	62,238	62,238			
Average kWh per Month	195.7	195.7			
Average kW per Month					
Base Rates	\$ 6,431.10	\$ 6,431.10	\$ 6,431.10	\$ 6,431.10	
PSA	\$ 55.21	\$ 55.21	\$ 55.21	\$ 55.21	
TCA	\$ 160.83	\$ 185.28	\$ 185.28	\$ 185.28	0.33%
RES	\$ 276.50	\$ 276.50	\$ 276.50	\$ 276.50	
DSMAC	\$ 136.17	\$ 136.17	\$ 136.17	\$ 136.17	
EIS	\$ 6.78	\$ 6.78	\$ 6.78	\$ 6.78	
Four Corners	\$ 130.56	\$ 130.56	\$ 130.56	\$ 130.56	
LFCR	\$ 105.02	\$ 105.38	\$ 105.38	\$ 105.38	0.00%
Total	\$ 7,302.17	\$ 7,326.98	\$ 7,326.98	\$ 7,326.98	0.34%

	Current		Proposed		
	Average Monthly Bill <sup>1</sup>	Average Monthly Bill <sup>1</sup>	Average Monthly Bill <sup>1,2</sup>	Average Monthly Bill <sup>1,2</sup>	
Commercial - L (E-32)	290,507	290,507			
Average kWh per Month	716.5	716.5			
Average kW per Month					
Base Rates	\$ 24,707.54	\$ 24,707.54	\$ 24,707.54	\$ 24,707.54	
PSA	\$ 257.68	\$ 257.68	\$ 257.68	\$ 257.68	
TCA	\$ 588.97	\$ 678.53	\$ 678.53	\$ 678.53	0.33%
RES	\$ 553.00	\$ 553.00	\$ 553.00	\$ 553.00	
DSMAC	\$ 498.69	\$ 498.69	\$ 498.69	\$ 498.69	
EIS	\$ 31.67	\$ 31.67	\$ 31.67	\$ 31.67	
Four Corners	\$ 501.57	\$ 501.57	\$ 501.57	\$ 501.57	
LFCR	\$ 27,139.12	\$ 27,228.68	\$ 27,228.68	\$ 27,228.68	0.33%
Total	\$ 27,139.12	\$ 27,228.68	\$ 27,228.68	\$ 27,228.68	0.33%

SEASONAL BILL IMPACTS

	Current		Proposed		
	Summer Monthly Bill	Summer Monthly Bill	Summer Monthly Bill	Summer Monthly Bill	
Commercial - S (E-32)	7,752	7,752			
Average kWh per Month	26.8	26.8			
Average kW per Month					
Base Rates	\$ 987.28	\$ 987.28	\$ 987.28	\$ 987.28	
PSA	\$ 6.88	\$ 6.88	\$ 6.88	\$ 6.88	
TCA	\$ 22.03	\$ 25.38	\$ 25.38	\$ 25.38	0.30%
RES	\$ 85.74	\$ 85.74	\$ 85.74	\$ 85.74	
DSMAC	\$ 18.65	\$ 18.65	\$ 18.65	\$ 18.65	
EIS	\$ 0.84	\$ 0.84	\$ 0.84	\$ 0.84	
Four Corners	\$ 20.04	\$ 20.04	\$ 20.04	\$ 20.04	
LFCR	\$ 16.66	\$ 16.71	\$ 16.71	\$ 16.71	0.01%
Total	\$ 1,158.12	\$ 1,161.52	\$ 1,161.52	\$ 1,161.52	0.30%

	Current		Proposed		
	Summer Monthly Bill	Summer Monthly Bill	Summer Monthly Bill	Summer Monthly Bill	
Commercial - M (E-32)	68,381	68,381			
Average kWh per Month	209.5	209.5			
Average kW per Month					
Base Rates	\$ 7,407.24	\$ 7,407.24	\$ 7,407.24	\$ 7,407.24	
PSA	\$ 60.66	\$ 60.66	\$ 60.66	\$ 60.66	
TCA	\$ 172.21	\$ 198.44	\$ 198.44	\$ 198.44	0.33%
RES	\$ 276.50	\$ 276.50	\$ 276.50	\$ 276.50	
DSMAC	\$ 145.81	\$ 145.81	\$ 145.81	\$ 145.81	
EIS	\$ 7.45	\$ 7.45	\$ 7.45	\$ 7.45	
Four Corners	\$ 150.37	\$ 150.37	\$ 150.37	\$ 150.37	
LFCR	\$ 119.95	\$ 120.33	\$ 120.33	\$ 120.33	0.00%
Total	\$ 8,340.19	\$ 8,366.76	\$ 8,366.76	\$ 8,366.76	0.34%

	Current		Proposed		
	Summer Monthly Bill	Summer Monthly Bill	Summer Monthly Bill	Summer Monthly Bill	
Commercial - L (E-32)	314,925	314,925			
Average kWh per Month	795	795			
Average kW per Month					
Base Rates	\$ 29,453.69	\$ 29,453.69	\$ 29,453.69	\$ 29,453.69	
PSA	\$ 279.34	\$ 279.34	\$ 279.34	\$ 279.34	
TCA	\$ 653.49	\$ 762.87	\$ 762.87	\$ 762.87	0.33%
RES	\$ 553.00	\$ 553.00	\$ 553.00	\$ 553.00	
DSMAC	\$ 553.32	\$ 553.32	\$ 553.32	\$ 553.32	
EIS	\$ 34.33	\$ 34.33	\$ 34.33	\$ 34.33	
Four Corners	\$ 597.91	\$ 597.91	\$ 597.91	\$ 597.91	
LFCR	\$ 32,125.08	\$ 32,224.46	\$ 32,224.46	\$ 32,224.46	0.33%
Total	\$ 32,125.08	\$ 32,224.46	\$ 32,224.46	\$ 32,224.46	0.33%

**ARIZONA PUBLIC SERVICE COMPANY**  
Transmission Cost Adjustor projected Increase

**AVERAGE MONTHLY BILL IMPACTS**

	AVERAGE MONTHLY BILL IMPACTS		SEASONAL BILL IMPACTS	
	Current	Proposed	Current	Proposed
<b>Industrial - XL (E-34,35)</b>				
Average kWh per Month	3,693,933	3,693,933		
Average kW per Month	6,369.5			
Base Rates	\$ 251,228.00	\$ 251,228.00		
PSA	\$ 3,276.52	\$ 3,276.52		
TCA	\$ 7,433.21	\$ 7,496.91		
RES	\$ 3,594.00	\$ 3,594.00		
DSMAC	\$ 4,433.18	\$ 4,433.18		
EIS	\$ 402.64	\$ 402.64		
Four Corners	\$ 5,099.93	\$ 5,099.93		
LFCR	\$ -	\$ -		
<b>Total</b>	<b>\$ 275,467.48</b>	<b>\$ 275,531.18</b>	<b>\$ 63.70</b>	<b>0.02%</b>

**Notes:**

- (1) Bill excludes regulatory assessment charge, taxes and fees. Adjustor levels in effect as of May 1, 2015.  
(2) Bill includes the increase to the Transmission Cost Adjustor



# **ATTACHMENT E**

Class Coincident Peak Demand

Class	2013		2014	
	MW	% of Coincident Demand	MW	% of Coincident Demand
Residential	3643.2	63.31%	3363.8	60.55%
General Service < 3MW	1734.6	30.14%	1801.9	32.43%
General Service > 3 MW	376.5	6.54%	390.0	7.02%
Total	5754.2	100.00%	5555.7	100.00%

# **ATTACHMENT F**

Transmission Rates Embedded in Base Rates and TCA

Customer Group	Embedded Base Rate (A)	Current TCA Rate (B)	Proposed TCA Rate (C)	Difference (D) = (C) - (B)	Percentage Difference	
					TCA Rate (E) = (D)/(B)	Total (F) = (D)/[(A)+(B)]
Residential	\$ 0.005202 /kWh	\$ 0.007003 /kWh	\$ 0.006565 /kWh	\$ (0.000438) /kWh	-6.3%	-3.6%
General Service 20 kW or less	\$ 0.004239 /kWh	\$ 0.002610 /kWh	\$ 0.002954 /kWh	\$ 0.000344 /kWh	13.2%	5.0%
General Service over 20 kW and under 3,000 kW	\$ 1.585 /kW	\$ 0.822 /kW	\$ 0.947 /kW	\$ 0.125 /kW	15.2%	5.2%
General Service 3,000 kW and over	\$ 1.776 /kW	\$ 1.167 /kW	\$ 1.177 /kW	\$ 0.010 /kW	0.9%	0.3%

# **ATTACHMENT G**

Arizona Public Service Company  
2014 Transmission Actual Addition Dollars and O&M

Line No.	W&M	Description	Actual Cost	Purpose	Renewable Impact	Miles	Estimated O&M	In-Service Date
1	WA2070	Hassayampa to North Gila 500kV #2	8,386,452	Revised Yuma reliability analyses reveal a need for incremental resources starting in 2013. This need grows into perpetuity as load is forecasted to increase consistent with expected local customer growth of 2.1 percent. The Hassayampa to North Gila #2 project helps satisfy both our immediate resource need and future load growth. Encompassed in this work order is all the land acquisition, as part of the overall HANG2 Project.	No	112	166,331	08/30/2014
2	WA7793	Coconino Rebuild to Ring Bus	5,836,028	CO922/B524 and CO822/B602 are at end of life at the Coconino 230kV yard. The yard is currently configured as a "Main and Transfer" without a transfer breaker. Obtaining outages for scheduled maintenance is problematic. With two breakers needed to be changed out this year, the project has an opportunity to reconfigure the substation into a Ring Bus.	No	N/A	82,677	08/15/2014
3	WA1995	Morgan Substation 500kV/230kV Transformer	4,806,515	Purchase system spare transformer.	No	N/A	40,855	10/09/2014
4	WA1779	Scatter Wash Sub(TS6)/230/69kV Site	3,925,468	Scatter wash substation formerly known as TS6 site prep located on SW corner of Happy Valley Road & Central Ave. Partial site prep to install wall and do offsite improvements. Sub site foundation will be installed 2020 before substation is required in 2021. Land has purchased 24 acres for 230/69kV substation.	No	N/A	88,977	05/23/2014
5	WA1613	Kofa Substation: Add Cap Bank (ATS Participant Cost)	2,946,235	Western (WAPA) has asked that APS assist in the installation of a 161kV, 45MVAR cap bank at the Western Kofa substation. The cap bank is needed to mitigate the 5% post transient voltage deviation at the Kofa bus for the loss of Hoodoo Wash - North Gila 500kV line.	No	N/A	58,434	6/14/2014
6	WA6690	Country Club / Evans Churchill 69kV Reconnector	2,762,974	The Country Club-Evans Churchill line is overloaded by 8% for loss of the West Phoenix-Fillmore line. Replacing the conductor eliminates this overload.	No	2.7	62,627	05/20/2014
7	WA1686	Westwing Substation: External Perimeter	2,564,018	The purpose of this project is to ensure sufficient security and hardening and surveillance measures are installed on critical substations to minimize the impacts of an intruder as well as an external attacker.	No	N/A	21,794	10/15/2014
8	WF14RV	Transmission Right of Way Capital Lease	2,020,233	Transmission Right of Way capital lease	No	415.4	5,724	12/31/2014
9	WA1171	Century-Roadrunner 69kV Line	1,822,526	The Doubtree in & Out Rebuild will increase reliability by eliminating the radial line into the substation.	No	1	56,802	02/11/2014
10	WA1367	Country Club Sub 69kV Expansion	1,704,352	Loss of the existing Country Club / Evans Churchill 69kV line will cause a 4% overload on the Fillmore / West Phoenix 69kV line. A second 69kV line from Country Club to Evans Churchill is needed to correct the 4% overload under N-1 conditions. Both circuits will be re-built at 3-795ACSS to gain full capacity. McDowell Substation has already been removed this line section to the Durango / Encanto 69kV lines to mitigate potential overloads. The second 69kV line also eliminates the need to re-build the Fillmore / West Phoenix line in the foreseeable future	No	N/A	38,632	05/11/2014
11	WA1824	345kV Spare Unit at Young's Canyon	1,647,572	This WA will capture costs to commission the 345kV/69kV spare unit that will arrive at Young's Canyon Sub in 2014. The transformer will be set and assembled on the existing concrete pad by the Supplier.	No	N/A	32,677	06/27/2014
12	WA1317	Adams Tap MOI & Communication	1,638,018	The interrupters need replacement because parts are obsolete. The old MOs are mechanical and the last one stopped working 6-months ago. The root of the problem is when opened, they won't open together, causing the line to trip.	No	N/A	37,128	05/28/2014
13	W37191	Sundance to Pinal Central 230kV - LAND	1,328,057	Approximately 6 miles of land acquisition through private & state lands for the 230kV transmission line from sundance generating station to the Pinal Central substation.	No	7	37,628	03/31/2014
14	WA1644	EV2 69kV Line: New 69kV Line to the EV2 Substation	1,197,610	This portion of the Rio Salado (EV2) project is for the construction of a new 69kV overhead line from Butte substation to the new Rio Salado (EV 2) substation. In addition, the Butte - Ocotillo #3 line will be moved to a new substation bay to allow for the termination of the new Butte- Rio Salado 69 line.	No	0.81	13,573	09/23/2014
15	WA1473	Move 500/230kV Transformer 8A	1,167,995	Kyrene 500/230kV transformer 6A failed at 1:55 AM on 5/17/11. An inspection conducted later that morning indicated significant bulging near the X1 bushing entrance and the initial assessment is that the unit may be a total loss.	No	N/A	33,093	3/31/2014
16	WA2042	Pole Replacement	1,074,024	Replacement of 25 poles that went down during a storm.	No	N/A	9,129	10/03/2014
17	YUC077	Spare Generator Step Up Transformer	934,246	Purchase spare generator step up transformer.	No	N/A	21,176	05/18/2014
18	WA1213	TS8 Substation Property Acquisition	817,034	This work order is to capture the land acquisition, survey and right of way costs associated with the new Substation - TS-8 Substation. The project includes a double circuit 230kV transmission line approximately 13 miles in length and begins at the existing North Gila Substation northeast of the City of Yuma and terminates at a future TS-8 Substation to the southwest.	No	0 miles / 20 acre	23,149	03/31/2014
19	WA1278	Pinnacle Peak 345kV SFA breaker replacement	805,573	Pinn Peak 345kV pressure, live tank breaker are obsolete, require high maintenance, and are expensive to overhaul. The pneumatic mechanisms, mechanical linkages and interrupters are complex, difficult, troublesome and would now require a vendor presence to overhaul.	No	N/A	22,825	03/27/2014
20	W21401	Mazatzal 345/69/21kV SUB, Access Road	719,640	Construction of Mazatzal Sub access road	No	3	20,390	03/14/2014
21	YUC077	Spare Generator Step Up Transformer	683,170	Purchase spare generator step up transformer.	No	N/A	15,485	05/18/2014

Arizona Public Service Company  
2014 Transmission Actual Addition Dollars and O&M

Line No.	W&S	Description	Actual Cost	Purpose	Reviewable Impact	Miles	Estimate O&M	Install Date
22	WA1572	2013 Ground/Line Clearance 230-16-3	626,700	This project is part of the evaluation of ground to phase clearances identified under the NERC mandate. This WA will fund all costs associated with implementation of locations that cannot be mitigated by any other way, other than raising the conductors. The scope includes 12 new structures (2-pole), 12 re-frames and 5 x-brace installations.	No	N/A	8,878	08/31/2014
23	WA8763	Hassayampa - N Gila Tm Line Plant Inventory By Forestry Dept	515,702	Complete inventory of vegetation within the ROW of the Hassayampa- North Gila Line which included removals and relocations and land owner communications for new 500kV Line project.	No	N/A	1,461	12/30/2014
24	WA1383	Reach Substation: 69kV OH Lines	485,636	Install 10 new single circuit galvanized 69kV poles from Tatum Blvd west to Reach Substation. Wire is 69kV R795X ACSS with F656B 48 count fiber in the static position. This line needs to be relocated to satisfy State's requirement prior to them granting APS a perpetual easement for Reach Sub.	No	0.74	15,136	02/14/2014
25	WA9650	Sandvig to Youngs Canyon 69kV line	421,136	Project to secure 14.71 miles of right-of-way from the future Youngs Canyon Substation to Sandvig Substation in Flagstaff.	No	14.71	8,353	06/01/2013
26	WA1042	Luke Field North 69kV Line: 69kV OH Line	384,275	Luke 69kV OH line in & Out-APS Re-Route OH estimate to install 69kV OH lines from Luke Field Sub to new North substation. Conceptual sketch for 69kV location attached. Final OH design required for re-route. Includes 5 self supporting poles to reconfigure the in/out to the new north substation site and removal of existing drops at the Luke Field Sub.	No	0.05	7,621	06/26/2014
27	WA9648	MCDOT 69kV Northern Parkway Phase	378,530	69kV needs to be relocated due to being in conflict with New MCDOT Northern Parkway Bridge and Road Realignment improvements.	No	0.59	1,073	12/09/2014
28	W39389	Verde-Coco NW-5	325,202	This job covers Capital work required from the Climbing Inspection of Line Section NW-5 which includes Coconino-Verde and Sedona-Oak Creek (approx. 65 miles). Crews changed out seven fixtures.	No	N/A	10,135	02/04/2013
29	WA1534	Replace 500kV Breaker 912	312,677	500kV Breaker 912 failed at Jojoba and needs to be replaced as soon as possible due to system reliability concerns for an n-1 condition. VTS participants will borrow a breaker from the Palo Verde Breaker Replacement Program and replace that breaker with an identical breaker at no cost to LADWP, SCPPA or SCE.	No	N/A	10,631	1/3/2014
30	WA1607	Gila Bend Solar - 1 & 2: Overhead 12kV Feeder Exits	296,710	This workorder includes the materials and manhour costs to install (2) circuits of 12kV 3-R954W + R336V NC +F656B (fiber) starting at approximately at 370' west of Gila Bend Substation running west and then north for about .5 miles to a new generation facility called Gila Bend solar.	Yes	0.5	8,407	03/05/2014
31	WA9963	Cedar Mountain- Yavapai 500 line- Install Fiber Optic for Q113	285,408	This project is for the labor, equipment and material needed to install OPGW for approximately fifty (50) miles to Yavapai Substation. This work is to be performed by APS. The OPGW will be strung in the static position. New path would use EPNG facilities at EPNG's Mount Floyd and Mount Eiden communication sites. APS would install equipment in the EPNG enclosure at Mount Floyd and at Cedar Mountain. Project is necessary to complete contractual requirement for Perrin Ranch, LLC interconnection.	No	50	2,426	10/30/2014
32	W35856	VR1 69kV Line - Windmill	285,165	The Northwest Division reports voltage falling below 114 volts at the TAO Fellowship development during winter peak conditions. The development is served from the CP04 12 kV feeder, a single phase 4R line that extends for more than 13 miles from Boyton Canyon Road. The line currently has two voltage regulators and one capacitor bank. The addition of a new single phase 69/12 kV platform substation connected to this feeder will provide the required voltage support. This project is to set the poles and switch need to support the platform sub.	No	1.5	808	12/09/2014
33	WA2063	Circuit Switcher 230kV Rebuild 1 - GL621J	281,910	Replace 230kV circuit switcher at Glendale Sub	No	N/A	8,786	02/28/2014
34	WA1462	Climbing Inspection	278,240	2013 Capital work performed during climbing inspections. Pending work; reconcile materials, design and close	No	N/A	788	12/30/2014
35	WA1045	Switch 230kV Replace 1 - WW424J Replacement	251,022	An antiquated circuit switcher was replaced with a new individual pole operated (IPO) breaker.	No	N/A	4,267	07/03/2014
			Work Orders > \$250k Work Orders < \$250k Total					
			53,916,055 (20,945,620) 32,970,436					

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Line #	WAMP/Building Project TAMP/PVNGILA	Description	Total Estimate	Purpose	Renewables Impact	Miles	Estimated O&M	Estimated In-Service Date
1		Hassayampa PV-North Gila 500KV	11,276,984	Approximately 110 miles of new 500KV transmission line from Palo Verde Hub to the North Gila substation	No	N/A	223,660	6/1/2015
2	W309024	Hassayampa-North Gila 500KV LINE #2	122,711,942	Install 4402 feet of 4-2" duct and 327 feet 2-2" duct, all encased in 3000 psi concrete, with two conduits tying Hang II tower #4 to Redhawk switchyard control building, and with the other two conduits tying Hang II tower #4 to existing vault located 112 ft south of control building. Two standard rectangular manholes are to be installed into all 4-2" ducts being install from tower #4.	No	112	2,433,787	6/1/2015
3	W399949	North Gila -500KV Substation Addition	20,454,841	This project will provide Engineering, Material and Construction for a termination point for new 500KV line (HANG2). Installation of a 500KV line Bay, 500KV Series Capacitor, a 500KV 170MVA, three(3) phase Shunt Reactor, associated breakers and bus work is necessary to convert the existing RING BUS configuration to BREAKER AND A HALF configuration. The new BREAKER AND A HALF configuration will be necessary reliability to receive the additional 600 MW of transmission capacity into the Yuma area and will also support the potential to supply up to 1200 MW if a companion line (to HANG2) is developed west of North Gila into California.	No	N/A	405,688	6/1/2015
4	WA11110	Hassayampa: New Bay for Hassayampa	6,864,240	This work order to account for the labor and materials needed to add additional equipment at the Hassayampa switchyard (ANPP facility) in an effort to create a point of interconnection for the Hassayampa - North Gila 500KV line. These 112 miles of new 500KV line are currently under construction and scheduled to be completed by Q1 of 2015. The new equipment needed at the Hassayampa switchyard for the Bay 10 additions include: (1) three phase - 170MVAR reactor, (2) 500KV SF6 power circuit breakers, (3) 500KV motor operated disconnect switches, (3) 500KV line CCVT's, (3) 500KV arrestors, conductor and associated hardware, bus and associated support structures, control wiring, relaying, metering, lighting, and associated below grade appearances such as: underground conduit systems, cable trench, equipment foundations, and ground grid modifications.	No	N/A	136,141	6/1/2015
5	WA175887	Hang II - Install Underground Fiber Conduit	261,365	Install 4402 feet of 4-2" duct and 327 feet 2-2" duct, all encased in 3000 psi concrete, with two conduits tying Hang II tower #4 to Redhawk switchyard control building, and with the other two conduits tying Hang II tower #4 to existing vault located 112 ft south of control building. Two standard rectangular manholes are to be installed into all 4-2" ducts being install from tower #4.	No	1	8,146	2/15/2015
6	TAMPPWV/TRLB	Palm Valley-Tribby Wash TS1 230	4,596,925	Approximately 12 miles of new 230KV line from Tribby Wash to Palm Valley substation in the Surprise area. This project will be designed, permitted, an constructed under the EPC (Engineer, Procure, & Construct) model. An OE (Owners Engineer) has also been hired on this project to assist with the contract management, project management, quality control management, and environmental mitigation management. The scope of this project is to build a new 230KV/69KV substation. 230KV substation equipment will include a 188MVA transformer, (3) power circuit breakers, (7) CCVT's, bus and associated supports, switches, metering, control wiring, relaying, and a 230KV/69KV control house. The 69KV substation equipment will include (4) power circuit breakers, (12) CCVT's, bus and associated supports, switches, metering, control wiring, and relaying.	No	N/A	91,172	6/1/2015
7	W218201	Tribby Wash Substation: Construct A New 230KV Substation	20,473,898	This work order to provide the labor and materials needed to construct a new 230KV substation in the Surprise area. This project will be designed, permitted, an constructed under the EPC (Engineer, Procure, & Construct) model. An OE (Owners Engineer) has also been hired on this project to assist with the contract management, project management, quality control management, and environmental mitigation management. The scope of this project is to build a new 230KV/69KV substation. 230KV substation equipment will include a 188MVA transformer, (3) power circuit breakers, (7) CCVT's, bus and associated supports, switches, metering, control wiring, relaying, and a 230KV/69KV control house. The 69KV substation equipment will include (4) power circuit breakers, (12) CCVT's, bus and associated supports, switches, metering, control wiring, and relaying.	No	N/A	406,066	6/1/2015
8	W409207	Tribby Wash-Palm Valley Build New 230KV Line	22,270,927	This project will engineer, procure material and construction services for the installation of a new 230KV line from Palm Valley sub (located in Goodyear) to Tribby Wash 230/69KV Substation located in Surprise Arizona. A single 230KV circuit will be installed initially, on monopoles with a double circuit 69KV line underbuilt from Waddell Substation to Tribby Wash substation. The 230KV Corridor will ultimately have double circuit capability with double 69KV underbuilt from end to end. The route has been certificated through case 122 and 127 also known as West Valley South and West Valley North respectively prepared by APS for the Arizona Corporation Commission. The corridor will traverse from Goodyear, through Waddell, Maricopa County, and City of Surprise.	No	12	441,707	6/1/2015
9	W485140	McMicken-Tribby Wash-Festival Ranch	539,301	The Tribby Wash substation relieves overloads to the Westwing 230/69KV transformers (124%) for loss of an adjacent transformer. Furthermore, Tribby Wash eliminates an overload to the McMicken-Surprise 69KV line (14%) for the loss of the McMicken-Westwing 69KV line. Without this project Tribby Wash is left on a radial 230KV line from Sun Valley. Also, this project will increase the import / scheduling capability of the Sun Valley project by connecting it into the Phoenix 230KV network.	No	0.5	16,808	2/23/2015



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Line #	WAP Funding Project	Description	Total Estimate	Purpose	Renewable Impact	Miles	Estimated O&M	Estimated In-Service Date
10	WA179218	Palm Valley Substation: 230KV Line Bay Addition For The Palm Valley - Tribby Wash Line	292,224	Construct a new 230KV bay in the existing Palm Valley substation for the planned Tribby Wash 230KV line. The scope of this project includes a new 230KV/69KV substation. 230KV substation equipment will include a 188MVA transformer, (3) power circuit breakers, (7) CCVT's, bus and associated supports, switches, metering, control wiring, relaying, and a 230KV/69KV control house. The 69KV substation equipment will include (4) power circuit breakers, (12) CCVT's, bus and associated supports, switches, metering, control wiring, and relaying.	No	N/A	5,796	6/1/2015
11	SUBSECURITY	Substation Security	11,287,992	The purpose of this project is to ensure sufficient security and hardening and surveillance measures are installed on critical substations to minimize the impacts of an intruder as well as an external attacker.	No	N/A	31,983	12/31/2015
12	WA184503	Meadowbrook Substation: Construct Wall	696,597	The purpose of this project is to ensure sufficient security and hardening and surveillance measures are installed on critical substations to minimize the impacts of an intruder as well as an external attacker.	No	N/A	23,684	1/1/2015
13	WA186387	Country Club: Substation Hardening	579,226	The purpose of this project is to ensure sufficient security and hardening and surveillance measures are installed on critical substations to minimize the impacts of an intruder as well as an external attacker.	No	N/A	1,641	12/31/2015
14	TAI STLND ROW	State Land ROW Renewals	9,115,629	Transmission lines constructed on public lands are issued a lease or right-of-way with a schedule of payments depending upon the agency and location of the facility.	No	N/A	25,828	12/31/2015
15	SUBAGEDEQUIP	Substation Aged Equipment Repl	6,331,148	Replace aging substation equipment which is at end of service life, problematic or in an advanced degraded state due to loading and/or operation.	No	N/A	17,938	12/31/2015
16	WA192783	Transformer 115KV Removal	275,243	Equipment Removal (NonParticipant) - Summer Work	No	N/A	4,679	7/27/2015
17	WA210177	Breaker 345KV Replacement	291,579	Replace 345KV breaker PP5132 due to internal fault	No	N/A	5,783	6/30/2015
18	PARTICP BY OTH	Participant by Other	3,955,754	Transmission assets and substation upgrades on participant lines that APS is not the operating agent	No	N/A	11,208	12/31/2015
19	W503584	Palo Verde Switchyard	498,105	Reliability concerns exist over the continued use of Alstom P544 relays and failures that result in line trips. Three failures resulting in line trips have been recorded by SRP - two on the SRP system and one on the HAA-Hed Hawk Line. These are WECC reportable events and the relays should be removed to reduce the possibility of inadvertent line trips.	No	N/A	1,411	12/31/2015
20	W503587	Palo Verde Switchyard Palo Verde Line Breaker Replacements	1,613,012	Replace Line Breakers in the Palo Verde Switchyard: PL948, PL938, PL932, PL988, PL982, and PL985. Breakers have reached their end of life and need to be replaced.	No	N/A	4,570	12/31/2015
21	WA142753	Replace Alstom P544 Relays	295,907	Reliability concerns exist over the continued use of Alstom P544 relays and failures that result in line trips. Three failures resulting in line trips have been recorded by SRP - two on the SRP system and one on the HAA-Hed Hawk Line. These are WECC reportable events and the relays should be removed to reduce the possibility of inadvertent line trips.	No	N/A	841	12/31/2015
22	TRANS XMFR REPI	Transformer Replacement	4,346,676	Identified transformer replacements based on EPRI condition assessment criteria for overall transformer health	No	N/A	12,316	12/31/2015
23	WA85221	Shunt Reactors 34.5KV Replace 3 - B	533,798	Replace 3-B 34.5KV Shunt Reactor	No	N/A	13,612	4/7/2015
24	DAISUBESTRLTA	Estrellita Sub-Line Bay Addition	3,283,649	Add 69KV breaker and associated equipment for Willis 69KV line	No	N/A	9,304	12/31/2015
25	W398649	ESTRELLITA TO PROPOSED GYS SUBSTATION	414,367	This work is being charged to WA148215 Acquire necessary right-of-way to accommodate 5.2 miles of 69KV line from Estrellita substation to the proposed GYS substation.	No	8.8	12,914	2/27/2015
26	WA148215	Estrellita - Willis(GY05): 69KV OH Line	683,777	The Estrellita to Willis (GY05) project consists of 8.8 miles of new single circuit 69KV line of 795 ACSS from Estrellita Substation to new Willis 69/12KV substation. New substation will improve reliability in Estrellita Mountain Ranch community.	No	8.8	1,937	12/31/2015
27	LINEPTRL REPL	Overhead Planned Repl	1,479,986	Replacement of end-of-life, degraded or damaged equipment (noted during annual "Public Safety" line patrols)	No	N/A	4,193	12/31/2015
28	WA101127	Capital Work On NE-10 Williams-Grand Canyon 69kv Line	439,359	Capital work identified through inspections on NE-10 Williams-Grand Canyon 69KV Line	No	N/A	8,714	6/30/2015
29	WA151926	Capital For C. I. NE-5 2013	377,390	Capital work identified through inspections on NE-5 line	No	N/A	7,485	6/30/2015
30	WA177865	Pole Replacement - San Manuel To Oracle Junction	786,157	Capital work identified through climbing inspections on 115-2 San Manuel to Oracle Junction line	No	N/A	15,592	6/30/2015
31	WA178858	2014 Climbing Inspection	446,574	Capital work identified through climbing inspections on SE-12 Mural-Fairview line	No	N/A	8,857	6/30/2015
32	WA190137	69KV HPFF Termination Replacement	257,517	Replace the 69KV Terminations at Indianola Sub and at 3rd St & Weldon on the OC-IN Line.	No	N/A	5,107	6/30/2015

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Line #	WAP/Project	Description	Total Additions	Purpose	Renewable Impact	Index	Estimated O&M	Estimated In-Service Date
33	WA18394	North Gila - TSB Project 230kV Right of Way Land Acquisition	3,166,584	Build new North Gila - TSB Project 230kV Line. Parcels in condemnation which will possibly move into 2016.	No	15	8,972	12/31/2015
34	COTTN GIL RBLD	Cotton Cent-Gillespie 69kV Line Reb	1,028,791	Rebuild 7.5 miles of conductor, including fiber terminations at both ends. Remove all the existing poles and 69kV wire. Transfer the 12kV lines to the new structures	No	N/A	32,064	2/25/2015
35	WA199024	Cotton Center to Gillespie 69/12kV	2,078,493	Replace 5.0 miles of 795 AA conductor with R795X ACSR on the Old US 80 - Cotton Center to Gillespie 69kV/12kV underbuild line. Remove all existing poles (both wood and steel).	Yes	5	64,780	2/25/2015
36	UNPLND EMERG	Unplanned/Emergency	1,894,741	Replacement of Transmission and Distribution capital equipment resulting from unforeseen system conditions that resulted in unplanned outages	No	N/A	5,368	12/31/2015
37	WA136791	2012 Ground/Line Clearance 230-01_2	258,154	Perform capital work necessary to create proper Line-to-Ground clearance on 230-01-2 Cholla-Coconino 230kV	No	N/A	731	12/31/2015
38	WA136793	2012 Ground/Line Clearance 230-02-2	262,528	Perform capital work necessary to create proper Line-to-Ground clearance on 230-02-2 Verde-Yavapai 230kV	No	N/A	744	12/31/2015
39	STOPPERPOLE	Stopper Pole Program	2,262,813	Install "stopper poles" at critical points on various sub transmission lines	No	N/A	44,879	6/30/2015
40	NERC ALERT	NERC Alert	858,828	The NERC Facility Rating Alert (NERC Alert) raised the question of whether utilities have adequate line clearances for the ampacity ratings that are used on their 100kV and above lines	No	N/A	2,428	12/31/2015
41	WA136814	2012 Ground/Line Clearance 230-18-2	252,166	Perform capital work necessary to create proper Line-to-Ground clearance on 230-18-2	No	N/A	5,001	6/30/2015
42	WA154028	2013 Ground/Line Clearance 230-02-1	872,439	Perform capital work necessary to create proper Line-to-Ground clearance on 230-02-1	No	N/A	2,472	12/31/2015
43	HICKMANFARWBLT	Hickman Substation Project	1,980,622	Hickman Egg Ranch is expanding their operations and planning to build a new plant, so a substation will be needed	No	N/A	5,612	12/31/2015
44	STORM LINES	Storm - Lines	1,939,308	The purpose of this program is to replace transmission lines damaged resulting from storm and unplanned events	No	N/A	5,495	12/31/2015
45	SUB GENERAL	Substation General	529,842	Placeholder for General Substation	No	N/A	1,501	12/31/2015
46	WA156683	SHOW LOW 69kV POLE INSTALLATION	448,353	The Overhead 69kV job includes setting 4 - 69A60 transition poles and 2 - 45-H3 switches. Additional poles will be removed and replaced with current standard poles. The new 69kV underground transition poles to the 50' existing pole line. All 69kV and easements are required. We are staying within right of way or existing easements. Remaining 2418 of 3-477A-NS 12kV under build primary wire to be removed and relied on the Overhead 69kV job.	No	N/A	15,244	1/1/2015
47	WA193761	Buckeye to Baseline FOC - T1400130H	424,209	Approximately 9.9 miles of fiber optic cable upgrades to the Buckeye to Baseline 69kV line. This project is to expand the fiber optic backbone to support additional capacity. There will be 40 poles replaced on the existing 69kV line from Buckeye Sub to Baseline Sub along line section M105. We will be installing approximately 13,315' of 48 count ADSS and 26,469' of 48 count OPGW fiber optic cable.	No	9.9	1,202	12/31/2015
48	WA199816	Baseline to Lower River FOC - T1400130H	477,793	Approximately 1.7 miles of fiber optic cable upgrades to the Baseline to Lower River line. This project is to expand the fiber optic backbone to support additional capacity. There will be 40 poles replaced on the existing 69kV line from Buckeye Sub to Baseline Sub along line section M105. We will be installing approximately 13,315' of 48 count ADSS and 26,469' of 48 count OPGW fiber optic cable.	No	1.7	1,354	12/31/2015
49	TRNCH BSH RPLC	Trench Bushing Replacement Program	1,708,300	The insurance auditor for FM Global has revealed the need to replace bushings manufactured by Trench on low side of transformers	No	N/A	4,840	12/31/2015
50	RELOC GOV	Highway Relo Distribution	1,659,762	Move/remove transmission and distribution facilities	No	N/A	4,703	12/31/2015
51	ATB SFA BRKR	500/345/230 ATB SFA Breaker Rpl	1,814,559	Replacement of circuit breakers within the non-participant portion of the APS system	No	N/A	4,575	12/31/2015
52	WA199845	230-4 Right-of-Way Renewal over Gila River and Ak-Chin Reservations	1,357,184	Right-of-way for Kyrene-Santa Rosa (230-4) over the Gila River Indian Community (GRIC) (15 miles) and the Ak-Chin Reservation (2 miles) expired in May 2014. Negotiations with the tribes for renewal of this right-of-way are expected to conclude before Q4 2015.	No	N/A	15,381	9/30/2015
53	WA125731	Cave Creek to Gavilan Px 69kV OH: Extend 69kV OH Line	886,497	Build approximate 9 miles of new 795ACSS 69kV OH line from Cave Creek Sub to Gavilan Peak Sub. This will be 2nd 69kV source to Cave Creek sub and will improve reliability in the Cave Creek area.	No	9	2,512	12/1/2015
54	WA180129	Cave Creek Sub: 69kV drop line exits	386,088	Includes setting first 69kV OH pole exiting Cave Creek Sub.	No	N/A	13,127	1/3/2015
55	RELWDPOLEREPL	Wood Pole Repl	730,700	Replacement of poles found to not have 10 years of remaining life	No	N/A	2,070	12/31/2015

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Line #	WAMPending Project	Description	Total Estimate	Purpose	Permissible Impact	Miles	Estimated O&M	Estimated In-Service Date
56	WA187552	Pole Replacement - SW-4-1 North Gila - Desert Sands - 8 Poles	321,467	This WA provides materials and man hours to replace 4 - "H" structures with new steel poles. Replace 2 wood poles with new steel poles and replace 1-wood pole with a new wood pole.	No	N/A	10,019	2/15/2015
57	WADDLL SUB XMF Waddell Sub - 2nd 69/12, 41 Xfmr		921,537	Addition of a transformer at the Waddell Substation located in Metro Western Phoenix which is designed for a three transformer build out	No	N/A	18,277	8/1/2015
58	WA118660	Raceway Permanent Access	828,459	Currently the APS Raceway substation is accessed via a private road/bridge on property that is owned by the Maricopa Water District (MWD). This project is to install a permanent access road/bridge	No	N/A	16,431	8/30/2015
			Work Orders > \$250K	286,881,318				
			Work Orders < \$250K	3,920,649				
			Total	\$ 290,801,967				

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Line #	WAF/Funding Project	Description	Total Estimate	Purpose	Renewables Impact	Miles	Estimated O&M	Estimated In-Service Date
1	TAIMPDLNYSNVY	Delany - Sun Valley 500	46,781,769	Approximately 30 miles of a new 500kV line from Delaney to the Sun Valley substation and the construction of the Sun Valley substation	N/A	30	927,838	6/1/2016
2	W217845	Delany Sub To Sun Valley (Tss) Sub	25,452,875	Construct 28 miles of single circuit 500kV line from the (Palo Verde area) Delaney Sub to the new (TSS) Sun Valley Substation located northwest of the White Tank Mountains. The Sun Valley Sub is part of the West Valley North Project.	N/A	28	504,815	6/1/2016
3	W255386	Sun Valley (Tss) 500/230 Substation	5,836,322	This WA is to account for the cost related to constructing the 500kV side of the Sun Valley substation.	N/A	N/A	115,754	6/1/2016
4	TAIMP DELNYPV	Delany - Palo Verde 500	17,311,213	Approximately 15 miles of a new 500kV line from Palo Verde to the Delaney substation and the construction of the Delaney substation	N/A	N/A	343,339	6/1/2016
5	W335853	Delaney Substation - 500kV Switchyard	11,806,424	This project is to construct a new 500kV switchyard near Tonopah, Arizona. This Hub to the Pinnacle Peak Bus. When completed this link will create a new 500kV path between the Palo Verde Transmission system, The Navajo transmission system and the Four Corners/Cholla Transmission system. This link will help APS to support our customers and comply with NERC reliability standards and federal regulations.	N/A	N/A	234,161	6/1/2016
6	W475012	Palo Verde-Delany 500kV Line	9,048,804	The purpose of this project is to supply power to the Delany Switchyard. This will allow APS to develop the Delany switchyard to accommodate generator interconnection requests.	N/A	15	179,468	6/1/2016
7	W475015	Palo Verde: Build New 500kV Bay By Sp	16,085,061	This project is for the costs of engineering, material procurement and construction of a new bay at the Palo Verde Switchyard in Tonopah, AZ. The new bay will supply power to the new Delany Switchyard in Tonopah, AZ.	N/A	N/A	319,020	6/1/2016
8	SUBSECURITY	Substation Security	19,123,801	The purpose of this project is to ensure sufficient security and hardening and surveillance measures are installed on critical substations to minimize the impacts of an intruder as well as an external attacker	N/A	N/A	54,184	12/31/2016
9	SUBSECURITY PH2	Substation Security Phase 2	12,097,746	The purpose of this project is to ensure sufficient security and hardening and surveillance measures are installed on critical substations to minimize the impacts of an intruder as well as an external attacker	N/A	N/A	34,277	12/31/2016
10	TAIMPNSVLTSLB	Sun Valley TSS -Tribby Wash	7,330,213	Approximately 15 miles of new 230kV line from Sun Valley to Tribby Wash and new 230/69kV substation at Tribby Wash	N/A	N/A	207,689	3/1/2016
11	W218205	230kV Line - Sun Valley (Tss) To Tribby Wash (Tss)	11,379,826	Design and construct approximately 15 miles of new 230kV line from TSS (Sun Valley) to TSS1 (Tribby Wash) substations. This line is part of the West Valley North project.	N/A	15	322,428	3/1/2016
12	JBA 69 SWYD	Jobba 69 Switchyard	9,063,462	Expand facilities being installed by external customers	N/A	N/A	25,680	12/31/2016
13	WA184027	Komatke - Willis/Rainbow Valley 69kV Line	283,347	The purpose of this project is to install/construct 13 miles of new 795ACSS single circuit 69kV from Willis Substation Willis/Rainbow Valley 69kV OH Lines into in S/W Buckeye, AZ.	N/A	13	803	12/31/2016
14	TAI STLND ROW	State Land ROW Renewals	6,129,897	Transmission lines constructed on public lands are issued a lease or right-of-way with a schedule of payments depending upon the agency and location of the facility	N/A	N/A	-	12/31/2016
15	CAVE CREEK SUB	Cave Creek- Add Substation Wall	6,023,598	Upgrade from 1 transformer to 2 transformers and above grade facilities to include control house and Gavilan Peak 69kV line	N/A	N/A	119,468	6/30/2016
16	SUBAGEDEQUIP	Substation Aged Equipment Repl	5,721,933	Replace aging substation equipment which is at end of service life, problematic or in an advanced degraded state due to loading and/or operation	N/A	N/A	16,212	12/30/2016
17	SN DG WLLW LK	Sundog -Willow Lake-Rebid 69 Line	3,957,884	Rebuild the Willow Lake - Sundog Tap 69kV line to Bald Mountain - Dewey 69kV line (2.25 miles)	N/A	N/A	78,498	6/1/2016
18	PARTICP BY OTH	Participant by Other	3,384,338	Transmission assets and substation upgrades on participant lines that APS is not the operating agent	N/A	N/A	9,589	12/31/2016

Arizona Public Service Company  
2016 Transmission Estimated Addition Dollars and O&M

Line #	WAFunding Project	Description	Total Estimate	Purpose	Renewables Impact	Miles	Estimated O&M	Estimated In-Service Date
19	WA192883	Replace bushings on three 3-phase transformers T1A, T1B & T3A	534,692	As a result of recent critical transformer losses due to multiple bushing failures, Apparatus Engineering reviewed all of the transformer failures that occurred during the past 10 years.	N/A	N/A	1,515	12/31/2016
20	FC230KV REACTOR	Four Corner 230kV Reactor Addition	3,784,517	Add new reactors at the 230kV bus in the Four Corners substation in order to manage the high voltage condition that will result if both Four Corners units are offline during low load periods.	N/A	N/A	75,060	6/30/2016
21	SELIGMAN	Seligman Compressor Station-Rpl Brk	3,145,962	Replace some overloaded equipment at Seligman Compressor Station and Mount Floyd Substations.	N/A	N/A	62,395	6/30/2016
22	TRANS XMFR REPL	EPRI - Transformer Replacement	2,904,881	Identified transformer replacements based on EPRI condition assessment criteria for overall transformer health	N/A	N/A	8,230	12/31/2016
23	RELOC GOV	Highway Relo Distribution	2,480,845	Move/remove transmission and distribution facilities	N/A	N/A	56,232	5/20/2016
24	ATB SFA BRKR	500/345/230 ATB-SFA Breaker Rpl	2,424,449	Replacement of circuit breakers within the non-participant portion of the APS system	N/A	N/A	6,869	12/30/2016
25	STOPPERPOLE	Stopper Pole Program	2,420,734	Install "stopper poles" at critical points on various sub transmission lines	N/A	N/A	6,859	12/31/2016
26	CH PWSUB RBLD	ChollaPowerSub-Rebuild Sub	2,108,774	Rebuild substation to remove leaning transformer and deteriorating wood frame structure	N/A	N/A	41,824	6/30/2016
27	STORM LINES	Storm - Lines	2,057,624	The purpose of this program is to replace transmission lines damaged resulting from storm and unplanned events	N/A	N/A	5,830	12/31/2016
28	TRNCH BSH RPLC	Trench Bushing Replacement Program	1,815,551	The insurance auditor for FM Global has revealed the need to replace bushings manufactured by Trench on low side of transformers	N/A	N/A	5,144	12/31/2016
29	LINEPTRL REPL	Overhead Planned Repl	1,362,165	Replacement of end-of-life, degraded or damaged equipment (noted during annual "Public Safety" line patrols)	N/A	N/A	3,859	12/31/2016
30	TAISUBENDRAIN	East End - Raintree 69 Line	1,234,763	Build 2.5 miles of new 69kV line from Altadena to Raintree	N/A	N/A	3,498	12/31/2016
31	RELWDPOLEREPL	Wood Pole Repl	928,406	Replacement of poles found to not have 10 years of remaining life	N/A	N/A	2,630	12/31/2016
32	PULDN WILMS	Paulden - Williams 69 Line Rebuild	683,241	Rebuild the Paulden - Williams 69kV line with 795AA conductor and 12kV under build in five phases (50miles). This 69kV line is over 60 years old and deteriorating.	N/A	N/A	13,551	6/30/2016
Work Orders > \$250k			244,705,120					
Work Orders < \$250K			1,339,716					
Total			246,044,836					
				\$ 3,786,722				

# **ATTACHMENT H**



**Javier Arambula**  
Manager, Federal Regulation

Mail Station 9712  
P.O. Box 53999  
Phoenix, AZ 85072-3999  
Tel 602-250-2497  
Javier.Arambula@aps.com

May 15, 2015

**VIA ELECTRONIC FILING**

The Honorable Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

Re: Informational Filing - Arizona Public Service Co.; Docket No. ER11-3638-000

Dear Secretary Bose:

Arizona Public Service Company ("APS") submits this informational filing of its Annual Update of formula transmission service rates pursuant to the APS Open Access Transmission Tariff ("OATT"). This annual update provides the information required by the implementation protocols in effect under Attachment H-2 of the APS OATT. The updated rates have been posted to the APS Open Access Same Time Information System ("OASIS") and notice has been provided as required in the implementation protocols.<sup>1</sup>

APS has reduced the revenue requirements by \$4,774,618 associated with the corrected load allocation related to the Energy District Number 3, as discussed in footnote 11 in APS's transmittal letter in Docket No. ER15-710-000, dated December 23, 2014. The revised rates take effect on June 1, 2015 and will remain in place until May 31, 2016. Please contact Stefanie Layton at (602) 250-4541 with any questions regarding this Annual Update informational filing.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Arambula", is written over the typed name.

Javier Arambula  
Manager, Federal Regulation

**Attachments**

Cc: Steve Olea, Arizona Corporation Commission  
Maureen Scott, Arizona Corporation Commission  
Charles Hains, Arizona Corporation Commission  
Dave Tenney, Arizona Residential Utility Consumer Office  
Daniel Pozefsky, Arizona Residential Utility Consumer Office

<sup>1</sup> In light of recent activity regarding formula rate protocols, APS is in the process of reviewing its protocols for potential improvements.

## Arizona Public Service Company

## Formula Rate -- Appendix A

Shaded cells are input cells

Notes

FERC Form 1 Page # or  
Instruction

2014

## Allocators

<b>Wages &amp; Salary Allocation Factor</b>			
1	Transmission Wages Expense	p354.21.b	18,901,8
2	Total Wages Expense	p354.28b	384,051,137
3	Less A&G Wages Expense	p354.27b	99,712,299
4	Total	(Line 2 - 3)	284,338,838
5	<b>Wages &amp; Salary Allocator</b>	(Line 1 / 4)	<b>6.6476%</b>
<b>Plant Allocation Factors</b>			
6	Electric Plant in Service	(Note B)	15,840,948,612
7	Total Plant in Service	(Sum Line 6)	15,840,948,612
8	Accumulated Depreciation (Total Electric Plant)	Attachment 5	6,173,357,274
9	Total Accumulated Depreciation	(Line 8)	6,173,357,274
10	Net Plant	(Line 7 - 9)	9,667,591,338
11	Transmission Gross Plant	(Line 22 - Line 38)	2,376,759,507
12	<b>Gross Plant Allocator</b>	(Line 11 / 7)	<b>15.0039%</b>
13	Transmission Net Plant	(Line 32 - Line 38)	1,631,028,234
14	<b>Net Plant Allocator</b>	(Line 13 / 10)	<b>16.8711%</b>

## Plant Calculations

<b>Plant in Service (Note O)</b>			
15	Transmission Plant in Service	(Note B)	2,201,581,299
16	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)	Attachment 6	127,854,460
17	<b>Total Transmission Plant in Service</b>	(Line 15 + 16)	<b>2,329,435,759</b>
18	General & Intangible	Attachment 5	1,399,767,313
19	Total General	(Line 18)	1,399,767,313
20	Wage & Salary Allocation Factor	(Line 5)	6.6476%
21	<b>General Plant Allocated to Transmission</b>	(19 * 20)	<b>93,051,574</b>
22	<b>TOTAL Plant in Service</b>	(Line 17 + 21)	<b>2,422,487,333</b>
<b>Accumulated Depreciation</b>			
23	Transmission Accumulated Depreciation	(Note B)	689,158,219
24	Accumulated Depreciation for Transmission Plant Additions for Current Rate Year	Attachment 6	849,268
25	<b>Total Transmission Accumulated Depreciation</b>	(Line 23 + Line 24)	<b>690,007,487</b>
26	Accumulated General Depreciation	Attachment 5	185,750,193
27	Accumulated Intangible Depreciation	Attachment 5	652,498,217
28	Total Accumulated Depreciation	(Sum Lines 26 to 27)	838,248,410
29	Wage & Salary Allocation Factor	(Line 5)	6.6476%
30	<b>General Allocated to Transmission</b>	(Line 28 * 29)	<b>55,723,786</b>
31	<b>TOTAL Accumulated Depreciation</b>	(Line 25 + 30)	<b>745,731,273</b>
32	<b>TOTAL Net Property, Plant &amp; Equipment</b>	(Line 22 - 31)	<b>1,676,756,060</b>



## Adjustment To Rate Base

<b>Accumulated Deferred Income Taxes</b>			
33	ADIT net of FASB 106 and 109	Attachment 1	-431,453,326
34	Accumulated Deferred Income Taxes Allocated To Transmission	(Line 33)	-431,453,326
<b>Transmission O&amp;M Reserves</b>			
35	Total Balance Transmission Related Account 242 Reserves	Enter Negative Attachment 5	-7,595,588
<b>Prepayments</b>			
36	Prepayments	(Note A) Attachment 5	7,256,174
37	Total Prepayments Allocated to Transmission	(Line 36)	7,256,174
38	Land Held for Future Use	(Note C) p214	45,727,826
<b>Materials and Supplies</b>			
39	Undistributed Stores Exp	(Note A) p227.6c & 16.c	-666,160
40	Wage & Salary Allocation Factor	(Line 5)	6,6476%
41	Total Transmission Allocated	(Line 39 * 40)	-44,284
42	Transmission Materials & Supplies	p227.8c	30,450,516
43	Total Materials & Supplies Allocated to Transmission	(Line 41 + 42)	30,406,232
<b>Cash Working Capital</b>			
44	Operation & Maintenance Expense	(Line 72)	67,242,783
45	Zero Cash Working Capital	Zero	0.0%
46	Total Cash Working Capital Allocated to Transmission	(Line 44 * 45)	0
<b>Network Credits</b>			
47	Outstanding Network Credits	(Note N) Attachment 5	17,112,576
48	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N) Attachment 5	1,369,725
49	Net Outstanding Credits	(Line 47 - 48)	15,742,851
50	<b>TOTAL Adjustment to Rate Base</b>	(Line 34 + 35 + 37 + 38 + 43 + 46 - 49)	-371,401,533
51	<b>Rate Base</b>	(Line 32 + 50)	1,305,354,528

## O&amp;M

<b>Transmission O&amp;M</b>			
52	Transmission O&M	p321.112.b	79,637,909
53	Less Account 565	p321.96.b	27,191,422
54	Transmission O&M	(Line 52 - 53)	52,446,487
<b>Allocated General Expenses</b>			
55	Total A&G	p323.197.b	192,117,559
56	Less PBOP Adjustment	Attachment 5	-6,432,883
57	Less Property Insurance Account 924	p323.185b	5,438,796
58	Less Regulatory Commission Exp Account 928	p323.189b	17,228,362
59	Less General Advertising Exp Account 930.1	p323.191b	8,390,441
60	Less EPRI Dues	p352-353	0
61	<b>General Expenses</b>	(Note D) (Line 55) - Sum (56 to 60)	167,492,843
62	Wage & Salary Allocation Factor	(Line 5)	6,6476%
63	General Expenses Allocated to Transmission	(Line 61 * 62)	11,134,331
<b>Directly Assigned A&amp;G</b>			
64	Regulatory Commission Exp Account 928	(Note G) Attachment 5	2,744,381
65	General Advertising Exp Account 930.1	(Note K) Attachment 5	0
66	Subtotal - Transmission Related	(Line 64 + 65)	2,744,381
67	Property Insurance Account 924	p323.185b	5,438,796
68	General Advertising Exp Account 930.1	(Note F) Attachment 5	0
69	<b>Total</b>	(Line 67 + 68)	5,438,796
70	Net Plant Allocation Factor	(Line 14)	16,8711%
71	A&G Directly Assigned to Transmission	(Line 69 * 70)	917,584
72	<b>Total Transmission O&amp;M</b>	(Line 54 + 63 + 66 + 71)	67,242,783

## Depreciation &amp; Amortization Expense

<b>Depreciation Expense (Note P)</b>			
73	Transmission Depreciation Expense	p336.7f	45,134,739
74	New plant Depreciation Expense	Attachment 6	2,782,850
75	<b>Total Transmission Depreciation Expense</b>	(Line 73 + Line 74)	47,917,589
76	General Depreciation	p336.10f	36,088,384
77	Intangible Amortization	(Note A) p336.1f	53,011,286
78	<b>Total</b>	(Line 76 + 77)	89,099,670
79	Wage & Salary Allocation Factor	(Line 5)	6,6476%
80	General Depreciation Allocated to Transmission	(Line 78 * 79)	5,923,031
81	<b>Total Transmission Depreciation &amp; Amortization</b>	(Line 75 + 80)	53,840,619

Taxes Other than Income				
82	Taxes Other than Income	Attachment 2		32,579,809
83	Total Taxes Other than Income	(Line 82)		32,579,809
Return / Capitalization Calculations				
Long Term Interest				
84	Long Term Interest	p117.62c through 67c		187,439,063
85	Long Term Interest	(Line 84)		187,439,063
86	Preferred Dividends	enter positive p118.29c		0
Common Stock				
87	Proprietary Capital	p112.16c		4,478,245,279
88	Less Preferred Stock	enter negative (Line 96)		0
89	Less Accumulated Other Comprehensive Income Account 219	enter negative p112.15c		48,332,631
90	Less Account 216.1	enter negative p112.12c		0
91	Common Stock	(Sum Lines 87 to 90)		4,526,577,910
Capitalization				
92	Long Term Debt	p112.18c through 23c		3,303,942,901
93	Less Loss on Recquired Debt	enter negative p111.81c		-17,845,003
94	Plus Gain on Recquired Debt	enter positive p113.61c		371,685
95	Total Long Term Debt	(Sum Lines 92 to 94)		3,286,469,583
96	Preferred Stock	p112.3c		0
97	Common Stock	(Line 91)		4,526,577,910
98	Total Capitalization	(Sum Lines 95 to 97)		7,813,047,493
99	Debt %	(Line 95 / 98)		42%
100	Preferred %	(Line 96 / 98)		0%
101	Common %	(Line 97 / 98)		58%
102	Debt Cost	(Line 85 / 95)		0.0570
103	Preferred Cost	(Line 86 / 96)		0.0000
104	Common Cost	(Note J) Fixed		0.1075
105	Weighted Cost of Debt	(Line 99 * 102)		0.0240
106	Weighted Cost of Preferred	(Line 100 * 103)		0.0000
107	Weighted Cost of Common	(Line 101 * 104)		0.0623
108	Total Return ( R )	(Sum Lines 105 to 107)		0.0863
109	Investment Return = Rate Base * Rate of Return	(Line 51 * 108)		112,615,371
Composite Income Taxes				
Income Tax Rates				
110	FIT=Federal Income Tax Rate			35.00%
111	SIT=State Income Tax Rate or Composite	(Note I)		6.45%
112	p		FIT deductible for SIT	0.00%
113	$T = 1 - ((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)$			39.19%
114	$T / (1 - T)$			64.45%
ITC Adjustment				
115	Amortized Investment Tax Credit	(Note I) enter negative p266.8f		0
116	$T / (1 - T)$	(Line 114)		64.45%
117	Net Plant Allocation Factor	(Line 14)		16.8711%
118	ITC Adjustment Allocated to Transmission	(Line 115 * (1 + 116) * 117)		0
119	Income Tax Component =	[Line 114 * 109 * (1 - (105 / 108))]		52,400,122
120	Total Income Taxes	(Line 118 + 119)		52,400,122
REVENUE REQUIREMENT				
Summary				
121	Net Property, Plant & Equipment	(Line 32)		1,676,756,060
122	Adjustment to Rate Base	(Line 50)		-371,401,533
123	Rate Base	(Line 51)		1,305,354,528
124	O&M	(Line 72)		67,242,783
125	Depreciation & Amortization	(Line 81)		53,840,619
126	Taxes Other than Income	(Line 83)		32,579,809
127	Investment Return	(Line 109)		112,615,371
128	Income Taxes	(Line 120)		52,400,122
129	Gross Revenue Requirement	(Sum Lines 124 to 128)		318,678,705



<b>Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities</b>			
130	Transmission Plant In Service	(Line 15)	2,201,581,299
131	Excluded Transmission Facilities	(Note M) Attachment 5	119,156,988
132	Included Transmission Facilities	(Line 130 - 131)	2,082,424,311
133	Inclusion Ratio	(Line 132 / 130)	94.59%
134	Gross Revenue Requirement	(Line 129)	318,678,705
135	Adjusted Gross Revenue Requirement	(Line 133 * 134)	301,430,741
<b>Revenue Credits &amp; Interest on Network Credits</b>			
136	Revenue Credits	Attachment 3	21,208,305
137	Interest on Network Credits	(Note N) Attachment 5	535,914
<b>138</b>	<b>Net Revenue Requirement</b>	<b>(Line 135 - 136 + 137)</b>	<b>280,758,350</b>
<b>Net Plant Carrying Charge</b>			
139	Net Revenue Requirement	(Line 138)	280,758,350
140	Net Transmission Plant	(Line 15 - 23)	1,512,423,080
141	Net Plant Carrying Charge	(Line 139 / 140)	18.5635%
142	Net Plant Carrying Charge without Depreciation	(Line 139 - 73) / 140	15.5792%
143	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 139 - 73 - 109 - 120) / 140	4.6685%
<b>Net Plant Carrying Charge Calculation per 100 Basis Point Increase in ROE</b>			
144	Net Revenue Requirement Less Return and Taxes	(Line 138 - 127 - 128)	115,742,857
145	Increased Return and Taxes	Attachment 4	177,452,643
146	Net Revenue Requirement per 100 Basis Point Increase in ROE	(Line 144 + 145)	293,195,500
147	Net Transmission Plant	(Line 15 - 23)	1,512,423,080
148	Net Plant Carrying Charge per 100 Basis Point Increase in ROE	(Line 146 / 147)	19.3858%
149	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	(Line 146 - 73) / 147	16.4015%
150	Net Revenue Requirement	(Line 138)	280,758,350
151	True-up amount	Attachment 6	(15,460,077)
152	Plus any increased ROE calculated on Attachment 7	Attachment 7	-
153	Facility Credits under Section 30.9 of the APS OATT	Attachment 5	-
154	Net Adjusted Revenue Requirement	(Line 150 - 151 + 153)	265,298,272
<b>Annual Point-to-Point Transmission Rate</b>			
155	Average of the 4 Summer CP	(Note L) Network Transmission Peak Report	7,342,044
156	Annual Point-to-Point Transmission Rate	(Line 154 / 155)	36.13
157	Average of the 8 Non-Summer CP	(Note L) Network Transmission Peak Report	4,981,103
158	Implied Non-Summer Revenue Requirement	((Line 156/12)*8* Line 157)	119,991,830
159	Implied Summer Revenue Requirement	(Line 138 - Line 158)	160,766,520
160	Implied Annualized Summer Point-to-Point Transmission Rate	((Line 154- line 158/Line 155/4)*12)	59.37

Retail Transmission Rates			
161	Residential (kWh)	Rate Design Worksheet	0.01074
162	Gen Serv < 3MW Without Demand Meters -Includes All Customers 20 kW and less (kWh)	Rate Design Worksheet	0.00635
163	Gen Serv < 3MW (kW)	Rate Design Worksheet	2.218
164	Gen Serv > 3MW (kW)	Rate Design Worksheet	2.598

**Notes**

- A Electric portion only
- B Exclude Construction Work In Progress expensed as O&M (rather than amortized). New Transmission plant that is expected to be placed in service in the current calendar year weighted by number of months it is expected to be in-service. New Transmission plant expected to be placed in service in the current calendar year that is not included in the Transmission Plan must be separately detailed on Attachment 5. For the Reconciliation, new transmission plant that was actually placed in service weighted by the number of months it was actually in service
- C Transmission Portion Only
- D All EPRI Annual Membership Dues
- E All Regulatory Commission Expenses
- F Safety related advertising included in Account 930.1
- G Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.h.
- I The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and  $p = \frac{\text{"the percentage of federal income tax deductible for state income taxes"}}{\text{Attachment 5 the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to use amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/(1-T)). A utility must not include tax credits as a reduction to rate base and as an amortization against taxable income. If the tax rates change during a calendar year, an average tax rate will be used - calculated based on the number of days each was effective in the calendar year.}}$
- J ROE of 10.75%
- K Education and outreach expenses relating to transmission, for example siting or billing
- L Based on APS Network Transmission Peak Report
- M Amount of transmission plant excluded from rates per Attachment 5.
- N Outstanding Network Credits is the balance of Network Facilities Upgrades Credits due Transmission Customers who have made lump-sum payments (net of accumulated depreciation) towards the construction of Network Transmission Facilities consistent with Paragraph 657 of Order 2003-A. Interest on the Network Credits as booked each year is added to the revenue requirement to make the Transmission Owner whole on Line 137.
- O AFUDC shall not be applied to the portion of a Network Upgrade for which the customer has provided the funds.
- P Changes in depreciation or amortization rates must be filed with the Commission, as well as any new depreciation or amortization rates.

Arizona Public Service Company

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

	Transmission Related	Plant Related	Labor Related	Total ADIT
ADIT- 282	0	(2,877,990,083)	0	(2,877,990,083)
ADIT-283	0	(9,556,157)	0	(9,556,157)
ADIT-190	0	142,095	27,128,177	27,270,272
ADITC-255	(33,587)			(33,587)
Subtotal	(33,587)	(2,887,404,145)	27,128,177	(2,890,309,555)
Wages & Salary Allocator (Appendix A, Line 5)				
Gross Plant Allocator (Appendix A, Line 12)				
ADIT	(33,587)	(433,223,124)	1,803,385	(431,453,326)

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-E and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately.

A	B Total	C Gas, Prod Or Other Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
ADIT-190						
Deferred Credits - Injury Reserve	334,002	334,002				Book liability for injuries recorded in FERC account(s) 228. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Deferred Credits - SFAS 112	4,078,465	2,820,425			1,258,040	Book liability for SFAS 112 is recorded in FERC account(s) 228 and 242. Only the amount included in account 242 is included in rate base (see Attachment 5). As such, only the ADIT associated with book liability recorded in account 242 is included in rate base.
Deferred Credits - Legal Reserves	1,847,216	1,847,216				Book liability for legal reserves recorded in FERC account(s) 253. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Deferred Credits - Palo Verde Rent	1,814,988	1,814,988				Book liability for Palo Verde rent recorded in FERC account(s) 253. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Deferred Credits - Coal Reclamation	75,807,102	75,807,102				Book liability for coal reclamation recorded in FERC account(s) 253. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Deferred Credits - Def Comp	12,149,303	11,284,317			864,986	Book liability for Deferred Compensation recorded in FERC account(s) 228 and 242. Only the amount included in account 242 is included in rate base (see Attachment 5). As such, only the ADIT associated with book liability recorded in account 242 is included in rate base.
Deferred Credits - Medical Reserve	3,579,223	0			3,579,223	Book liability for medical reserve recorded in FERC account(s) 242. The underlying book account is included in rate base, as such ADIT is included in rate base.
Deferred Credits - Option II	2,212,946	2,212,946				Book liability for Option II recorded in FERC account(s) 253. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Deferred Credits - Retention Units	29,966,169	29,966,169				Book liability for retention units recorded in FERC account(s) 253. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Deferred Credits - NM Coal Severance Surtax	734,781	734,781				Book liability for NM Coal Severance Surtax recorded in FERC account(s) 253. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Deferred Credits - Roosevelt Irrigation District Reserve	114,690	114,690				Book liability for Roosevelt Irrigation District Reserve recorded in FERC account(s) 253. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Deferred Credits - SCE Four Corners Reserve	2,293,800	2,293,800				Book liability for SCE Four Corners Reserve recorded in FERC account(s) 253. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - ARO	115,624,489	115,624,489				Book liability for ARO regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - PacifiCorp	3,822,999	3,822,999				Book liability for PacifiCorp regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - Gain on Sale of Property	24,143	24,143				Book liability for Gain on Sale of Property regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - PV/ISFS	26,757,221	26,757,221				Book liability for PV/ISFS regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - Unamortized Gain on Reacquired Debt	142,095	0		142,095		Book liability for unamortized gain on reacquired debt are recovered vis-à-vis the cost of capital calculation. As such, ADIT is not included for the ADIT associated with these regulatory accounts by designating such ADIT as plant related.



Reg Liab - Deferred ITC	96,231,975	96,231,975			Book liability for Deferred ITC regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - Sundance Maintenance	4,613,979	4,613,979			Book liability for Sundance Maintenance regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liability - Amoxic	2,355,706	2,355,706			Book liability for Amoxic regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab-Star Center Patent Rights	430,238	430,238			Book liability for Star Center Patent Rights regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - SFAS 109 - AZ/NM Rate Change	3,221,388	3,221,388			Book liability for SFAS 109 AZ Rate Change regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - Arizona Sun Program	495,688	495,688			Book liability for AZ Sun Program regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - Demand Side Management Program	11,979,263	11,979,263			Book liability for Demand Side Management Program regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - Environmental Improvement Surcharge	(2,980)	(2,980)			Book liability for Environmental Improvement Surcharge regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - Coal Reclamation	459,808	459,808			Book liability for Coal Reclamation regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - FERC Transmission True-up	865,540	865,540			Book liability for FERC Transmission True-up regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - Removal Coas-Cholla	5,009,194	5,009,194			Book liability for Removal Coas-Cholla regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Pension Liabilities	194,541,344	190,820,937		3,720,407	Book liability for Pension Liabilities recorded in FERC account(s) 228 and 242. Only the amount included in account 242 is included in rate base. As such, only the ADIT associated with book liability recorded in account 242 is included in rate base.
Reg Liab - Other Postretirement benefits	88,278,998	88,278,998			Book liability for Other Postretirement benefits regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Low Income Bill Assistance	764,600	764,600			Book liability for low income bill assistance recorded in FERC account(s) 242. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Mark to market	66,251,274	66,251,274			Book liability for mark to market recorded in FERC account(s) 175, 176, 244, and 245. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Other Tax Accruals	(1,317,280)	(1,317,280)			Deferred taxes primarily associated with the tax only future AZ/NM tax rate reductions, substantially related to the book liabilities for Pension and ARO regulatory liability recorded in FERC account(s) 228 and 242. The underlying book accounts are not included in rate base, as such ADIT is not included in rate base.
Interest on Tax Reserve	386,328	386,328			Book liability for interest on tax reserve recorded in FERC account(s) 237. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Severance Reserve	660,372	0		660,372	Book liability for severance reserve recorded in FERC account(s) 228 and 242. Only the amount included in account 242 is included in rate base (see Attachment 5). As such, only the ADIT associated with book liability recorded in account 242 is included in rate base.
Workers' Compensation	3,113,150	2,092,801		1,020,349	Book liability for workers compensation recorded in FERC account(s) 228 and 242. Only the amount included in account 242 is included in rate base (see Attachment 5). As such, only the ADIT associated with book liability recorded in account 242 is included in rate base.
Renewable Energy Incentives	63,573,122	63,573,122			Deferred taxes associated with the tax only liability for renewable energy incentives is not included in rate base, as such ADIT is not included in rate base.
Accrued Vacation	1,805,897	0		1,805,897	Book liability for accrued vacation recorded in FERC account 242. The underlying book account is included in rate base, as such ADIT is included in rate base.
Accrued Payroll	1,518,254	0		1,518,254	Book liability for accrued payroll recorded in FERC account 242. The underlying book account is included in rate base, as such ADIT is included in rate base.
Accrued Incentive	24,959,868	12,057,217		12,902,649	Book liability for accrued incentive recorded in FERC account 242. The underlying book account is included in rate base, as such ADIT is included in rate base. The book liability associated with the participants portion of accrued incentive is not included in rate base, thus the ADIT associated with the participant portion is not included in rate base.
Subtotal - 234	851,497,364	824,227,092	0	142,095	
Less FASB 109 Above if not separately removed	3,221,388	3,221,388	0	0	
Less FASB 109 Above if not separately removed	0	0	0	0	
Total	848,275,976	821,005,704	0	142,095	27,126,177

## Instructions for Account 198:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C.
- ADIT items related to Transmission are directly assigned to Column D.
- ADIT items related to Production are included in Columns E and F.
- ADIT items related to labor and not in Columns C & D are included in Column F.
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.

6. Re. Form 1-F filer: Sum of subtotals for Accounts 232 and 233 should tie to Form No. 1-F, p.113.57.c



## Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

ADIT- 282		A	B	C	D	E	F	G
			Total	Gas, Prod Or Other	Only Transmission Related	Plant Related	Labor Related	Justification
Net Plant Book/Tax Differences			(2,991,937,288)					Book assets for plant recorded in FERC account(s) 101, 106, 107 are included in rate base, as such ADIT is not included in rate base.
Reg Liab - Removal Costs			113,947,205					Book liability for removal costs recorded in FERC account(s) 108. The underlying book account is included in rate base, as such ADIT is included in rate base.
Subtotal - p275 (Form 1-F filter: see note 8 below)			(2,877,990,083)	0	0	(2,877,990,083)	0	
Less FASB 159 Above if not separately removed			0	0	0	0	0	
Less FASB 159 Above if not separately removed			0	0	0	0	0	
Total			(2,877,990,083)	0	0	(2,877,990,083)	0	

Instructions for Account 282:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C

2. ADIT items related only to Transmission are directly assigned to Column D

3. ADIT items related to Plant and not in Columns C &amp; D are included in Column E

4. ADIT items related to labor and not in Columns C &amp; D are included in Column F

5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be included

6. Ref: Form 1-F filter. Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

## Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

ADIT-283		A	B	C	D	E	F	G
			Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
Reg Asset - Transmission Vegetation Management			(5,210,555)	(5,210,555)				Book asset for Transmission Vegetation Management regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - AFUDC			(48,285,714)	(48,285,714)				Book asset for AFUDC regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Mead Phx Line			(4,474,608)	(4,474,608)				Book asset for Mead Phx Line regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Decontamination			(23,065)	(23,065)				Book asset for Decontamination regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Unamortized loss on Recaptured Debt			(6,822,145)			(6,822,145)		Book components of unamortized gain/loss on reacquired debt are recovered via a-vis the cost of capital calculation. As such, rate base is reduced for the ADIT associated with these regulatory accounts by designating such ADIT as plant related.
Reg Asset - Power Supply Adjustor MTM			(38,187,540)	(38,187,540)				Book asset for Power Supply Adjustor MTM regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Power Supply Adjustor			(2,436,966)	(2,436,966)				Book asset for Power Supply Adjustor regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.



Reg Asset - Coal Reclamation	(2,645,727)	(2,645,727)			Book asset for Coal Reclamation regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Pension	(191,746,602)	(191,746,602)			Book asset for Pension and Other Postretirement benefits regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Option II	(13,060,204)	(13,060,204)			Book asset for Option II regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - SFAS 109	(1,195,294)	(1,195,294)			Book asset for SFAS 109 regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - OPEB Subsidy PPACA	(5,843,164)	(5,843,164)			Book asset for OPEB Subsidy PPACA regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - ITC Basis Adjustment	(16,770,676)	(16,770,676)			Book asset for Deferred ITC Basis Adjustment regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Property Tax Deferral	(11,577,032)	(11,577,032)			Book asset for Property Tax Deferral regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Lost Fixed Cost	(13,154,874)	(13,154,874)			Book asset for Lost Fixed Cost regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Four Corners Deferral (Units 12/23)	(25,464,437)	(25,464,437)			Book asset for Four Corners Deferral (Units 12/23) regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Relined Power Plant Costs	(55,852,217)	(55,852,217)			Book asset for Relined Power Plant Costs regulatory assets recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Four Corners SCE Proforma Deferral	(4,069,489)	(4,069,489)			Book asset for Four Corners SCE Proforma Deferral regulatory assets recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Other Postretirement Benefits	(57,062,288)	(57,062,288)			Book asset for Other Postretirement Benefits recorded in FERC account(s) 186. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Mark to market	(20,916,759)	(20,916,759)			Book asset for mark to market recorded in FERC account(s) 175, 176, 244, and 245. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Other Deferred Debits	4,346,733	4,346,733			Deferred Taxes primarily associated with the tax only future AZNM tax rate reductions, substantially related to book assets for Pension and Other Postretirement benefits, AFUDC and Power Supply Adjustor MTM, are recorded in FERC account(s) 182. The underlying book accounts are not included in rate base, as such ADIT is not included in rate base.
Prepays	(2,734,012)	(2,734,012)			Book asset for prepays is recorded in FERC account(s) 185. The full amount included in account 185 is included in rate base (see Attachment 5). As such, the ADIT associated with book liability recorded in account 185 is included in rate base.
Subtotal - 2277 (From 1-F filer, see note 5, below)	(523,186,635)	(513,630,478)	0	(9,556,157)	
Less FASB 109 Above if not separately removed	(49,481,008)	(49,481,008)	-	-	
Less FASB 108 Above if not separately removed	(57,062,288)	(57,062,288)	-	-	
Total	(470,943,339)	(407,087,182)	-	(9,556,157)	

Instructions for Account 283:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded
6. Re: Form 1-F filer. Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.97.c



Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

ADITC-255

		Balance	Amortization
1	Rate Basis Treatment		
2	Balance to Attachment 1, Page 1, Transmission		
3	Related ADIT 255	(33,587)	
4	Amortization		
5	Amortization to line 115 of Appendix A	-	-
6	Total	(33,587)	-
7	Total Form No. 1 (p 266 & 267)	(33,587)	-
8	Difference /1	-	-

One or the other but not both.

/1 Difference must be zero

/1 Difference must be zero

**Arizona Public Service Company**  
**Attachment 2 - Taxes Other Than Income Worksheet**

Other Taxes	Page 263 Col (I)	Allocator	Allocated Amount
<b>Plant Related</b>			
	<b>Gross Plant Allocator</b>		
1 Transmission Personal Property Tax (directly assigned to Transmission)	\$ 30,812,814	100%	\$ 30,812,814
2 Capital Stock Tax		15.0039%	\$ -
3 Gross Premium (insurance) Tax		15.0039%	\$ -
4 PURTA		15.0039%	\$ -
5 Corp License		15.0039%	\$ -
<b>Total Plant Related</b>	30,812,814		30,812,814
<b>Labor Related</b>			
	<b>Wages &amp; Salary Allocator</b>		
6 Federal FICA & Unemployment & state unemployment	26,580,756		
<b>Total Labor Related</b>	26,580,756	6.6476%	1,766,995
<b>Other Included</b>			
	<b>Gross Plant Allocator</b>		
7 Miscellaneous	0		
<b>Total Other Included</b>	0	15.0039%	0
<b>Total Included</b>			32,579,809
<b>Currently Excluded</b>			
8 Use & Sales Tax	0		
9 Adjust state and local tax reserve	(851,298)		
10 Other Sales & Use Tax	0		
11 Other Personal Property Tax (excluded)	141,621,913		
12			
13			
14			
15			
16			
17			
18			
19			
20			
21 Total "Other" Taxes (included on p. 263)	198,164,185		
22 Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	198,164,185		
23 Difference			

## Criteria for Allocation:

- A Other taxes that are incurred through ownership of plant including transmission plant will be allocated based on the Gross Plant Allocator. If the taxes are 100% recovered at retail they will not be included
- B Other taxes that are incurred through ownership of only general or intangible plant will be allocated based on the Wages and Salary Allocator. If the taxes are 100% recovered at retail they will not be included
- C Other taxes that are assessed based on labor will be allocated based on the Wages and Salary Allocator
- D Other taxes except as provided for in A, B and C above, that are incurred and (1) are not fully recovered at retail or (2) are directly or indirectly related to transmission service will be allocated based on the Gross Plant Allocator; provided, however, that overheads shall be treated as in footnote B above
- E Excludes prior period adjustments in the first year of the formula's operation and reconciliation for the first year



**Arizona Public Service Company**  
**Attachment 3 - Revenue Credit Workpaper**

**Account 454 - Rent from Electric Property**

1 Rent from Electric Property - Transmission Related (Note 3)		9,443,825
2 Total Rent Revenues	(Sum Lines 1)	9,443,825

**Account 456 - Other Electric Revenues (Note 1)**

3 Scheduling, System Control & Dispatch (Ancillary Service)		\$ 1,993,717	p398 line 1 column g
4 Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (Note 4)			
5 Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner (Note 4)		9,216,508	
6 Transitional Revenue Neutrality (Note 1)			
7 Transitional Market Expansion (Note 1)			
8 Professional Services (Note 3)			
9 Revenues from Directly Assigned Transmission Facility Charges (Note 2)		183,806	
10 Rent or Attachment Fees associated with Transmission Facilities (Note 3)		1,218,433	
11 Gross Revenue Credits	(Sum Lines 2-10)	22,056,289	
12 Line 17g		(847,984)	
13 Total Revenue Credits		21,208,305	

**Revenue Adjustment to determine Revenue Credit**

- 14 Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula will be included as a revenue credit or included in the peak on line 171 of Appendix A.
- 15 Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.
- 16 Note 3: Ratemaking treatment for the following specified secondary uses of transmission assets: (1) right-of-way leases and leases for space on transmission facilities for telecommunications; (2) transmission tower licenses for wireless antennas; (3) right-of-way property leases for farming, grazing or nurseries; (4) licenses of intellectual property (including a portable oil degasification process and scheduling software); and (5) transmission maintenance and consulting services (including energized circuit maintenance, high-voltage substation maintenance, safety training, transformer oil testing, and circuit breaker testing) to other utilities and large customers (collectively, products). Company will retain 50% of net revenues consistent with Pacific Gas and Electric Company, 90 FERC ¶ 61,314. Note: in order to use lines 17a - 17g, the utility must track in separate subaccounts the revenues and costs associated with each secondary use (except for the cost of the associated income taxes).
- 17a Revenues included in lines 1-11 which are subject to 50/50 sharing.
- 17b Costs associated with revenues in line 17a
- 17c Net Revenues (17a - 17b)
- 17d 50% Share of Net Revenues (17c / 2)
- 17e Costs associated with revenues in line 17a that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue.
- 17f Net Revenue Credit (17d + 17e)
- 17g Line 17f less line 17a
- 18 Note 4: If the facilities associated with the revenues are not included in the formula, the revenue is shown here but not included in the total above and is explained in the Cost Support; for example revenues associated with distribution facilities.

17a Revenues included in lines 1-11 which are subject to 50/50 sharing.	1,218,433
17b Costs associated with revenues in line 17a	477,534
17c Net Revenues (17a - 17b)	740,899
17d 50% Share of Net Revenues (17c / 2)	370,449
17e Costs associated with revenues in line 17a that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue.	-
17f Net Revenue Credit (17d + 17e)	370,449
17g Line 17f less line 17a	(847,984)
18 Note 4: If the facilities associated with the revenues are not included in the formula, the revenue is shown here but not included in the total above and is explained in the Cost Support; for example revenues associated with distribution facilities.	-
19 Amount offset in line 4 above	
20 Total Account 454 and 456	22,056,289

Composite Tax Rate 39.19%

## Arizona Public Service Company

## Attachment 4 - Calculation of 100 Basis Point Increase in ROE

A	100 Basis Point increase in ROE and Income Taxes	Line 12 + Line 23	177,452,643
B	100 Basis Point increase in ROE		1.00%

Return Calculation			
1	Rate Base	Appendix A, Line 51	1,305,354,528
2	Debt %	Appendix A, Line 99	42.1%
3	Preferred %	Appendix A, Line 100	0.0%
4	Common %	Appendix A, Line 101	57.9%
5	Debt Cost	Appendix A, Line 102	5.70%
6	Preferred Cost	Appendix A, Line 103	0.00%
7	Common Cost	Appendix A, Line 104 + 1%	11.75%
		Appendix A % plus 100 Basis Pts	
8	Weighted Cost of Debt	Appendix A, Line 105	0.0240
9	Weighted Cost of Preferred	Appendix A, Line 106	-
10	Weighted Cost of Common	Line 4 * Line 7	0.0681
11	<b>Total Return ( R )</b>	Sum Lines 8 to 10	<b>0.0921</b>
12	<b>Investment Return = Rate Base * Rate of Return</b>	Line 11 * Line 1	<b>120,178,091</b>

Composite Income Taxes			
<b>Income Tax Rates</b>			
13	FIT=Federal Income Tax Rate	Appendix A, Line 110	35.00%
14	SIT=State Income Tax Rate or Composite	Appendix A, Line 111	6.45%
15	p (percent of federal income tax deductible for state purposes)	Appendix A, Line 112	0.00%
16	$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	Appendix A, Line 113	39.19%
17	$T / (1 - T)$	Appendix A, Line 114	64.45%
<b>ITC Adjustment</b>			
18	Amortized Investment Tax Credit	Appendix A, Line 115	-
19	$1 / (1 - T)$	Appendix A, Line 116	64.4534%
20	Net Plant Allocation Factor	Appendix A, Line 117	16.8711%
21	<b>ITC Adjustment Allocated to Transmission</b>	Appendix A, Line 118	<b>0</b>
22	<b>Income Tax Component = CIT=(T/(1-T) * Investment Return * (1-(WCLTD/R)) =</b>	Line 17*Line 12*(1-(Line 8/Line 11))	<b>57,274,552</b>
23	<b>Total Income Taxes</b>	<b>Line 21 + 22"</b>	<b>57,274,552</b>

**Arizona Public Service Company**  
**Attachment 5 - Cost Support**

Plant In Service Worksheet				Attachment A Use In Descriptions, Notes, Item 1 Page 19 and Instructions	
Calculation of Transmission Plant In Service				Balance For True up	Balance for Estimate
December	Source	2013			
January	p206.58.b	2014		2,171,187,240	
February	company records	2014		2,163,146,062	
March	company records	2014		2,157,750,377	
April	company records	2014		2,160,634,443	
May	company records	2014		2,173,318,589	
June	company records	2014		2,180,300,928	
July	company records	2014		2,193,899,804	
August	company records	2014		2,186,391,365	
September	company records	2014		2,185,220,875	
October	company records	2014		2,187,615,463	
November	company records	2014		2,188,120,951	
December	company records	2014		2,195,764,331	
Transmission Plant In Service	p207.58.g	2014		2,201,381,289	29,684,050
				2,201,381,289	
Calculation of Distribution Plant In Service					
December	Source	2013			
January	p206.75.b	2014		5,175,939,699	
February	company records	2014		5,188,478,913	
March	company records	2014		5,201,609,167	
April	company records	2014		5,214,427,780	
May	company records	2014		5,231,546,099	
June	company records	2014		5,249,073,462	
July	company records	2014		5,261,851,184	
August	company records	2014		5,284,855,522	
September	company records	2014		5,277,086,249	
October	company records	2014		5,282,406,599	
November	company records	2014		5,294,216,012	
December	company records	2014		5,300,782,975	
Distribution Plant In Service	p207.75.g	2014		5,336,396,181	
				5,336,396,181	
Calculation of Intangible Plant In Service					
December	Source	2013			
January	p204.5.b	2014		606,670,525	
February	company records	2014		651,971,938	
Intangible Plant In Service	p205.5.g	2014		628,321,232	651,971,938
Calculation of General Plant In Service					
December	Source	2013			
January	p206.96.b	2014		670,381,935	
February	company records	2014		747,795,375	
General Plant In Service	p207.96.g	2014		708,078,655	747,795,375
Calculation of Production Plant In Service					
December	Source	2013			
January	p204.46b	2014		6,856,676,302	
February	company records	2014		6,874,211,507	
March	company records	2014		6,871,546,694	
April	company records	2014		6,869,907,480	
May	company records	2014		6,887,315,549	
June	company records	2014		6,894,025,268	
July	company records	2014		6,989,812,938	
August	company records	2014		6,986,019,389	
September	company records	2014		7,007,226,305	
October	company records	2014		6,724,136,273	
November	company records	2014		6,721,486,706	
December	company records	2014		6,790,322,183	
Production Plant In Service	p205.46.g	2014		6,903,203,819	6,903,203,819
				6,903,203,819	
Total Plant In Service					
	Sum of averages above			15,643,354,258	15,840,948,612



Accumulated Depreciation Worksheet				Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Details	
Calculation of Transmission Accumulated Depreciation				Balance For True up		Balance for Estimate	
December	Source	2013		660,226,924			
January	Prior year p219.25	2014		659,941,443			
February	company records	2014		656,529,099			
March	company records	2014		659,719,008			
April	company records	2014		665,865,276			
May	company records	2014		667,976,769			
June	company records	2014		670,519,557			
July	company records	2014		673,180,179			
August	company records	2014		676,289,589			
September	company records	2014		679,611,651			
October	company records	2014		682,600,162			
November	company records	2014		685,847,261			
December	Transmission Accumulated Depreciation	2014		689,158,219			
				677,341,903			
Calculation of Distribution Accumulated Depreciation				Balance For True up		Balance for Estimate	
December	Source	2013		1,393,247,155			
January	Prior year p219.26	2014		1,388,289,473			
February	company records	2014		1,393,226,447			
March	company records	2014		1,397,917,492			
April	company records	2014		1,402,738,800			
May	company records	2014		1,408,365,599			
June	company records	2014		1,412,623,119			
July	company records	2014		1,416,474,167			
August	company records	2014		1,419,392,681			
September	company records	2014		1,428,207,987			
October	company records	2014		1,433,366,438			
November	company records	2014		1,442,128,918			
December	Distribution Accumulated Depreciation	2014		1,452,169,765			
				1,413,780,618			
Calculation of Intangible Accumulated Depreciation				Balance For True up		Balance for Estimate	
December	Source	2013		595,064,160			
December	Prior year p200.21c	2014		652,498,217			
	p200.21c			623,781,189			
Calculation of General Accumulated Depreciation				Balance For True up		Balance for Estimate	
December	Source	2013		165,626,181			
December	Prior year p219.28	2014		185,750,193			
	p219.28			175,688,187			
Calculation of Production Accumulated Depreciation				Balance For True up		Balance for Estimate	
December	Source	2013		3,362,208,653			
January	Prior year p219.20 thru 219.24	2014		3,276,519,867			
February	company records	2014		3,286,328,936			
March	company records	2014		3,295,160,570			
April	company records	2014		3,302,810,782			
May	company records	2014		3,312,558,916			
June	company records	2014		3,293,720,236			
July	company records	2014		3,293,562,476			
August	company records	2014		3,301,836,523			
September	company records	2014		3,155,943,434			
October	company records	2014		3,163,575,692			
November	company records	2014		3,194,346,532			
December	Production Accumulated Depreciation	2014		3,193,780,880			
				3,255,719,284			
Total Accumulated Depreciation				Sum of averages above		6,173,357,274	

**Electric / Non-electric Cost Support**

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				
Plant Allocation Factors	Form 1 Amount	Electric Portion	Non-electric Portion	Details
Accumulated Intangible Depreciation				
Materials and Supplies				
Undistributed Stores Exp				
Depreciation Expense				
Intangible Amortization				
p200.21.c	652,498,217	652,498,217	0	
p227.6c & 15.c	466,160	466,160	0	
p336.1d4e	53,011,286	53,011,286	0	

**Transmission / Non-transmission Cost Support**

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				
38 Plant Held for Future Use	Beg of Year	End of Year	End of Year for Est. Average for Final	Details
p214	54,797,234	51,340,595	53,068,915	
Total				
Non-transmission Related	5,291,942	5,612,769		
Transmission Related	49,505,292	45,727,826	47,616,559	

**PBOPs Cost Support**

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				
56 Allocated General Expenses	Form 1 Amount	PBOBs	All other	Details
Account 926 (2006)	77,941,202	12,427,757	65,513,445	Base Year
Account 926 (Current Year)	75,334,711	5,994,874	69,339,837	Current Year
Change in PBOP Expense		(6,432,863)		

**EPRI Dues Cost Support**

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				
60 Allocated General Expenses	Form 1 Amount	EPRI Dues		Details
Less EPRI Dues	A&G	0		
p352-353				

**Regulatory Expense Related to Transmission Cost Support**

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				
64 Directly Assigned AAG	Form 1 Amount	Transmission Related	Non-transmission Related	Details
Regulatory Commission Exp Account 921	17,228,362	2,744,381	14,483,981	
p350.1 thru 350.21				

**Safety Related Advertising Cost Support**

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				
68 Directly Assigned AAG	Form 1 Amount	Safety Related	Non-safety Related	Details
General Advertising Exp Account 930.	8,390,441	-	8,390,441	None
p323.191.b				



## MultiState Worksheet

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		State 1	State 2	State 3	State 4	State 5	Composite
111	Income Tax Rates SIT=State Income Tax Rate or Composite	AZ	NM	CA	TX	UT	
	Education and Out Reach Cost Support	6.210%	0.210%	0.030%	0.00%	0.00%	6.45%
65	Directly Assigned A&G General Advertising Exp Account 930.	p323.191.5					
	Excluded Gross Plant Cost Support	Form 1 Amount	Education & Outreach	Other	Details		
		8,390,441	0	8,390,441	None		
131	Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facility Excluded Gross Transmission Facility	Description of the Facilities					
	Instructions: 1 Remove all investment below 69 kV facilities, including the investment allocated to distribution of a dual function substation, generator, interconnection and local and direct assigned facilities for which separate costs are charged and step-up generation substation included in transmission plant in service. 2 If unable to determine the investment below 69kV in a substation with investment of 69 kV and higher as well as below 69 kV, the following formula will be used: A. Total investment in substation B. Total investment in transmission (provide worksheets) C. Identifiable investment in Distribution (provide worksheets) D. Amount to be excluded (A x (C / (B + C))) Example 1,000,000 500,000 400,000 444,444	General Description of the Facilities None Step Up Xlms West Phoenix to Lincoln Substation 345 kV transmission line					
		Enter \$	Add more lines if necessary				
		119,156,988					
		118,408,988					
		2,750,000					
		Or					
		Enter \$					
35	Transmission Related Account 242 Reserves (exclude current year environmental site related reserves) Directly Assignable to Transmission	Begin of year	End of Year	End of Year for Est. Average for Final	Allocation	Trans Related	Details
	Deposits	352,160	352,160				
	FERC Provision for Rate Refund	551,866	1,442,883				
	Land Rights	904,026	1,495,043		100%	1,495,043	
	Sum Directly Transmission	134,086,338	146,176,640				
	(A) Total Not Directly Transmission						
	Vacation Accrual - Old Plan	6,211,074	6,450,408				
	Accrued Payroll	19,466,236	18,439,481				
	Medical - Dental	8,141,000	9,133,000				
	Short Term Software License	1,592,163	390,189				
	Workmen's Compensation Liability	2,900,547	2,603,596				
	Vacation Accrual	4,480,323	4,098,289				
	Vacation Accrual - Participants	1,095,634	1,141,250				
	SFAS 112	3,178,000	3,205,000				
	Incentive Accrual	34,773,466	32,923,319				
	Severance	603,850	1,685,052				
	SERP	10,851,489	9,493,256				
	Deferred Compensation	2,691,428	2,207,160				
	(B) Sum Labor Related	95,994,230	91,770,000		6.6476%	6,100,545	
	(A) - (B)	38,092,108	54,406,640		0.00%		
	Other						
	Total Transmission Related Reserves	134,990,364	147,871,684				7,595,588



## Prepayments

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions						
	Bag of year	End of Year	End of Year for Est. Average for Final	Allocation	Trans. Related	Details
Worksheet 5	11,651,194	12,960,868	12,308,031	6.648%	861,593	818,081
Worksheet 5	138,230,254	7,294,346	72,782,300	18.871%	1,230,636	12,275,795
Worksheet 5	10,388,503	5,163,946	7,776,224	100.000%	5,163,946	7,776,224
Other (Excluded)	6,549,226	7,422,220	6,985,723	0.000%	-	-
					7,256,174	20,870,080

## Materials &amp; Supplies

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions						
	Bag of year	End of Year	End of Year for Est. Average for Final			
Assigned to O&M						
p227.6						
Stores Expense Undistributed	194,192	(666,180)				
Undistributed Stores Exp	97,096	(333,080)	(117,992)			
Transmission Materials & Supplies	31,042,842	30,450,516	30,746,379			

## Outstanding Network Credits Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions						
	Bag of year	End of Year	End of Year for Est. Average for Final	Description of the Credits		
Network Credits				General Description of the Credits		
Outstanding Network Credits						
December	16,080,641	17,112,576	16,596,608			
December	17,112,576					
Average Beginning and End of Year	16,596,608					
Accumulated Depreciation Associated with Facilities with Outstanding Network Credits						
December	647,705	1,369,725	1,008,715			
December	1,369,725					
Average Beginning and End of Year	1,008,715					

## Interest on Outstanding Network Credits Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions						
	Interest on Network Credits	Description of the Interest on the Credits				
Interest on Network Credits	335,914	General Description of the Credits				
						Add more lines if necessary

**Arizona Public Service Company**  
**Attachment 6 - Estimate and Reconciliation Worksheet**

- Exec Summary**
- | Step | Month | Year   | Action   |
|------|-------|--------|--|
| 1    | April | Year 2 | TO populate the formula with Year 1 data from FERC Form 1.   |
| 2    | April | Year 2 | TO estimate all Transmission Cap Adds, Retirements, and associated depreciation for Year 2 based on Months expected to be in service in Year 2.                              |
| 3    | April | Year 2 | TO add estimates from Step 2 to Appendix A   |
| 4    | May   | Year 2 | Post results of Step 3 on APS web site.  |
| 5    | June  | Year 2 | Post results of Step 3 go into effect.   |
| 6    | April | Year 3 | TO populate the formula with Year 2 data from FERC Form 1.   |
| 7    | April | Year 3 | Reconciliation - TO calculate the true up amount by subtracting the results of Step 6 by Step 3.   |
| 8    | April | Year 3 | Reconciliation - TO calculate interest and amortization associated with the true up calculated in Step 7 and applies that amount to line 151 of the formula.                 |
| 9    | April | Year 3 | TO estimate all Transmission Cap Adds, Retirements, CWP and associated depreciation for Year 3 based on Months expected to be in service and monthly CWP balances in Year 3. |
| 10   | April | Year 3 | TO add 13 months average Cap Adds and retirements (line 16 and 24) to the Formula.   |
| 11   | May   | Year 3 | Post results of Step 10 on APS web site.   |
| 12   | June  | Year 3 | Post results of Step 9 go into effect for the Rate Year 2.   |

**Reconciliation details**

- |   |       |        |   |   |
|---|-------|--------|---|---|
| 1 | April | Year 2 | TO populate the formula with Year 1 data from FERC Form 1.  | Must run Appendix A to get this number (without estimated cap adds) from Appendix A |
| 2 | April | Year 2 | TO estimate all Transmission Cap Adds, Retirements, and associated depreciation for Year 2 based on Months expected to be in service in Year 2. |   |

(A)	(B)	(C)	(D)	(E)		(F)		(G)	
				Other Project PIS	Project X PIS retirements	Other Project PIS	Accumulated Balance Project X PIS	Project X PIS	Total
Dec	759,131						759,131		0
Jan	(1,517,875)						(758,744)		(758,744)
Feb	3,053,681						2,294,937		2,294,937
Mar	138,819						2,431,757		2,431,757
Apr	1,001,100						3,432,857		3,432,857
May	14,512,031						17,944,888		17,944,888
Jun	126,912						18,071,800		18,071,800
Jul	104,045						18,175,845		18,175,845
Aug	4,698,342						22,874,787		22,874,787
Sep	633,861						23,508,668		23,508,668
Oct	618,774						24,127,442		24,127,442
Nov	13,759,381						37,886,823		37,886,823
Dec							13,134,630		13,134,630
Total	37,886,823								

13 month avg of new plant additions = Col F + Col H

13,134,630 goes to line 16 of the formula

(I) = F	(J)	(K) = I * J	(L)	(M) = H	(N)	(O) = L * M	(P)
Total Other Project PIS	Composite Trans Deprec Rate	Depreciation Expense	Accum Deprec	Total Project X PIS	Composite Trans Deprec Rate	Depreciation Expense	Accum Deprec
Jan	759,131	0.17%	1,271	1,271		0.17%	
Feb	-758,744	0.17%	(1,270)	1		0.17%	
Mar	2,294,937	0.17%	3,842	3,843		0.17%	
Apr	2,431,757	0.17%	4,071	7,915		0.17%	
May	3,432,857	0.17%	5,748	13,662		0.17%	
Jun	17,944,888	0.17%	30,045	43,707		0.17%	
Jul	18,071,800	0.17%	30,257	73,964		0.17%	
Aug	18,175,845	0.17%	30,432	104,396		0.17%	
Sep	22,874,787	0.17%	38,299	142,695		0.17%	
Oct	23,508,668	0.17%	39,360	182,055		0.17%	
Nov	24,127,442	0.17%	40,396	222,452		0.17%	
Dec	37,886,823	0.17%	63,434	285,885		0.17%	
Total			285,885	83,219			
13 mo. Avg accumulated depreciation = Col L + Col P:				83,219	goes to line 24 of the formula		
Depreciation Expense = Col K + Col O				285,885	goes to line 74 of the formula		
3	April	Year 2 TO adds estimates from Step 2 to Appendix A	Include inputs to Appendix A Lines 16, 24, and 74				
		277,103,166					
4	May	Year 2 Post results of Step 3 on APS web site.	Must run Appendix A to get this number (with results of step 2)				
		\$ 277,103,166					
5	June	Year 2 Results of Step 3 go into effect.					
		277,103,166					
6	April	Year 3 TO populates the formula with Year 2 data from FERC Form 1.	step 6 file				
		266,771,354					
7	April	Year 3 Reconciliation - TO calculates the true up amount by subtracting the results of Step 6 by Step 3.					
		Prior Year True Up - First Year True up					
		Results of Step 6	\$ 266,771,354	Total True Up	\$ 266,771,354		
		Results of Step 5	\$ 277,103,166		\$ 277,103,166		
		True up who interest			\$ (10,331,812)		
		ED3 repose			\$ (4,774,618)		

True Up to be recovered \$ (10,331,812) Divide True up who interest by the number of months the rate was in effect and place that result in the month that the rate went in effect in the interest calculation below



8 April Year 3

Reconciliation - TO calculates interest and amortization associated with the true up calculated in Step 7 and applies that amount to line 151 of the formula.  
Interest on Amount of Refunds or Surcharges  
Interest 35.19a for 1st quarter Current Yr

Month	Yr	Interest 35.19a for and				Refunds Owed
		1/12 of Step 7	March Current Yr	Months	Interest	
Jun Year 1		(860,984)	0.27%	11.5	(26,816)	(887,800)
Jul Year 1		(860,984)	0.27%	10.5	(24,484)	(885,469)
Aug Year 1		(860,984)	0.27%	9.5	(22,152)	(883,137)
Sep Year 1		(860,984)	0.27%	8.5	(19,821)	(880,805)
Oct Year 1		(860,984)	0.27%	7.5	(17,489)	(878,473)
Nov Year 1		(860,984)	0.27%	6.5	(15,157)	(876,141)
Dec Year 1		(860,984)	0.27%	5.5	(12,825)	(873,809)
Jan Year 2		(860,984)	0.27%	4.5	(10,493)	(871,478)
Feb Year 2		(860,984)	0.27%	3.5	(8,161)	(869,146)
Mar Year 2		(860,984)	0.27%	2.5	(5,830)	(866,814)
Apr Year 2		(860,984)	0.27%	1.5	(3,498)	(864,482)
May Year 2		(860,984)	0.27%	0.5	(1,166)	(862,150)
Total		(10,331,812)				(10,498,704)

Month	Yr	Interest				Refunds Owed
		Balance	Amort	Interest	Balance	
Jun Year 2		(10,498,704)		0.27%	(9,537,686)	
Jul Year 2		(9,637,686)		0.27%	(8,773,333)	
Aug Year 2		(8,773,333)		0.27%	(7,906,639)	
Sep Year 2		(7,906,639)		0.27%	(7,037,598)	
Oct Year 2		(7,037,598)		0.27%	(6,166,203)	
Nov Year 2		(6,166,203)		0.27%	(5,292,448)	
Dec Year 2		(5,292,448)		0.27%	(4,416,327)	
Jan Year 3		(4,416,327)		0.27%	(3,537,833)	
Feb Year 3		(3,537,833)		0.27%	(2,656,960)	
Mar Year 3		(2,656,960)		0.27%	(1,773,701)	
Apr Year 3		(1,773,701)		0.27%	(888,050)	
May Year 3		(888,050)		0.27%		
Total with interest			(10,685,459)			(10,685,459)

The difference between the Reconciliation in Step 6 and the forecast in Prior Year with interest

9 April Year 3 TO estimates all transmission Cap Adds, Retirements, CWP and associated depreciation for Year 3 based on Months expected to be in service and monthly CWP balances in Year 3.  
Note: Jan and Feb are actuals, Mar-Dec forecasted. Retirements are not forecasted.

	(A) Other Project PIS		(B) other retirements		(C) Project X PIS		(D) Project X PIS retirements		(E) Other Project PIS		(F) Accumulated Balance Project X PIS		(G) Total	
	Total Other Project PIS	1,531,038			Project X PIS	0	Project X PIS retirements	0	Other Project PIS	0	Accumulated Balance Project X PIS	0	Total	0
Dec														
Jan														
Feb														
Mar														
Apr														
May														
Jun														
Jul														
Aug														
Sep														
Oct														
Nov														
Dec														
Total														

13 month avg of new plant additions = Col F + Col H

	(I) = F		(J) Total Other Project PIS		(K) = I * J		(L) Depreciation Expense		(M) = H		(N) Composite Trans Deprec Rate		(O) = L * M		(P) Accum Deprec	
	Total Other Project PIS	1,531,038			Depreciation Expense	2,563	Accum Deprec	2,563	Total Project X PIS	0	Composite Trans Deprec Rate	0.17%	Depreciation Expense	0.17%	Accum Deprec	0.17%
Jan																
Feb																
Mar																
Apr																
May																
Jun																
Jul																
Aug																
Sep																
Oct																
Nov																
Dec																
Total																

13 mo. Avg accumulated depreciation = Col L + Col P:  
Depreciation Expense = Col K + Col O

10 April Year 3 TO adds 13 month average Cap Adds and retirements (line 110 and 120) to the Formula.  
Rev Req based on Year 2 data with estimated Cap Adds, Ret, and Deprec for Year 3 Cap Adds (Step 9) and True up of Year 1 data (Step 8)  
Must run App A to get this # (with 13 mo. avg cap adds, depreciation for Year 3 cap adds)

11 May Year 3 Post results of Step 10 on APS web site.  
\$ 280,756,350

12 June Year 3 Results of Step 9 go into effect for the Rate Year 2.  
270,072,891 Step 11 plus the difference between the Reconciliation in Step 6 and the forecast in Prior Year with interest

line #	Formula Line	Formula	Project A	Project B	Revenue (Beginning + Ending) / 2	Total	Incentive	Rev Credit
1		Plus any increased ROE calculated on Attachment 7						
2		=Incentive - Revenue Credit for the corresponding rate year						
3		Fixed Charge Rate (FCR) if not a CIAC						
4		Net Plant Carrying Charge without Depreciation						
5		Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation						
6		Line B less Line A						
7		FCR # a CIAC						
8		Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes						
9		The FCR resulting from Formula in a given year is used for that year only.						
10		Therefore actual revenues collected in a year do not change based on cost data for subsequent years						
11		Beginning = 13 month Plant CWP or Incentive Plant balance						
12		Deprec = 13 month avg Accumulated Depreciation						
13		Ending = Beginning - Deprec						
14		Revenue= FCR Ending - Ending						
15		Invest Yr						
16		2005						
17		2006						
18		2007						
19		2008						
20		2009						
21		2010						
22		2011						
23		2012						
24		2013						
25		2014						
26		2015						
27		2016						
28		2017						
29		2018						
30		2019						
31		2020						
32		2021						
33		2022						
34		2023						
35		2024						
36		2025						
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76		2065						
77		2066						
78		2067						

# NETWORK TRANSMISSION PEAK REPORT

2014

Line #	Date/Time	01/10/0800	02/04/0800	03/25/2000	04/21/1800	05/27/1700	06/30/1800	07/23/1800	08/17/1800	09/02/1700	10/04/1700	11/06/1900	12/31/1900	4CP Average	Transmission Revenue Requirement
1	Balancing Authority Load	3,977,000	3,988,000	3,604,000	4,445,000	5,740,000	6,469,000	7,186,000	6,613,000	6,249,000	4,593,000	3,530,000	4,148,000		\$265,298,272
2	Company Use	-7,134	-8,157	-6,200	-9,082	-12,670	-13,278	-14,285	-13,182	-12,926	-8,591	-6,073	-7,557		
3	Part IV Loads outside BAA	-130,821	-191,036	-193,159	-254,715	-269,445	-347,707	-349,181	-316,904	-291,768	-207,371	-139,815	-129,536		
4	5 less NITS loads in BAA included below														
5	5 less PTP loads in the BAA included below														
6	APS Part IV Load														
7	Grandfathered Transmission Services														
8	Tucson Electric Power	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000		
9	Public Service of New Mexico	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000		
10	Yuma Cogen Associates	50,850	50,850	50,850	50,850	50,850	50,850	50,850	50,850	50,850	50,850	50,850	50,850		
11	Total Grandfathered Transmission Services	280,850	280,850	280,850	280,850	280,850	280,850	280,850	280,850	280,850	280,850	280,850	280,850	280,850	\$10,148,266
12	NITS Loads in BAA														
13	11 ACP Improvement District	1,774	1,682	1,426	1,590	2,308	2,954	2,533	2,708	2,738	1,820	1,540	1,580		
14	12 NTUA	3,741	3,672	2,543	2,066	1,463	2,954	3,223	2,975	2,826	1,814	2,406	4,063		
15	13 APS01-ED6	0,047	0,293	0,574	0,735	0,410	1,002	0,924	0,214	0,645	0,089	0,039	0,069		
16	14 APS01-ED7	2,507	12,210	9,556	10,192	4,389	12,277	10,534	8,002	5,028	3,011	5,165	5,165		
17	15 APS01-ED8	12,443	48,864	39,907	49,782	46,443	61,575	59,686	46,520	42,084	18,151	13,583	13,583		
18	16 APS01-Maricopa County Municipal District	12,378	12,378	6,695	7,420	3,576	12,512	11,461	10,538	7,853	10,029	2,992	2,674		
19	17 APS01-Roosevelt Irrigation District	2,856	6,428	5,374	6,867	3,967	11,616	10,712	8,090	7,129	3,679	1,970	3,334		
20	18 APS01-Buckeye Irrigation District	0,865	3,557	3,519	3,499	2,987	5,970	5,278	4,208	3,665	1,079	0,401	0,857		
21	19 APS01-Aguila Irrigation District	3,060	1,074	4,535	7,409	8,766	8,003	7,968	6,440	4,554	1,345	1,105	1,105		
22	20 APS01-Harquahela Irrigation District	2,483	11,069	10,766	15,029	12,975	14,471	15,321	13,346	12,834	11,303	9,201	4,883		
23	21 APS01-McMullen Valley Irrigation District	3,396	9,845	9,370	12,563	12,861	15,711	16,340	14,988	10,542	9,268	9,796	5,063		
24	22 APS01-Tonopah Irrigation District	0,609	2,693	2,404	3,920	3,254	4,813	5,085	3,831	3,243	2,310	0,591	0,468		
25	23 APS01-City of Wickenburg	4,061	4,130	3,026	3,799	5,343	5,653	6,138	5,698	5,426	4,128	2,789	4,296		
26	24 APS01-Tonono Oodham	11,498	11,525	6,806	9,400	10,464	11,980	11,993	10,441	13,029	8,252	9,148	9,222		
27	25 APS01-City of Williams	5,280	6,162	5,470	4,582	5,043	6,415	5,840	4,958	4,481	4,214	4,981	6,897		
28	26 Electrical District No. 3	63,693	62,412	81,188	115,726	147,463	169,008	176,110	163,413	156,165	97,720	71,494	66,274		
29	27 Total Dist. Wheeling Contract Demands	130,821	191,036	193,159	254,715	269,445	347,707	349,181	316,904	291,768	207,371	139,815	129,536	326,390	\$11,793,814
30	NITS Loads outside BAA														
31	28 Central AZ Water Cone District	25,596	15,648	30,840	74,904	35,100	37,584	59,112	40,356	41,988	56,148	3,372	18,360		
32	29 NTUA	5,424	5,451	3,992	3,445	3,893	4,401	4,334	4,315	4,550	3,385	3,767	5,029		
33	30 PNM	53,511	53,971	36,469	31,271	46,406	64,782	50,199	45,782	49,545	32,817	39,277	58,411		
34	31 Southwest Transmission Cooperative	3,000	2,500	0,500	1,000	3,500	4,500	4,500	4,000	3,500	3,500	2,000	2,000		
35	32 Total NITS Loads Outside BAA	87,531	77,570	71,801	110,620	88,899	111,267	118,145	94,453	99,583	95,850	48,416	83,800	105,862	\$3,825,230
36	Point-to-Point Not Serving Load in BAA														
37	33 Salt River Project	328,000	328,000	328,000	328,000	332,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000		
38	34 Pacificorp	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000		
39	35 Public Service of New Mexico	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000		
40	36 EDF Trading	0,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000		
41	37 Novo BioPower	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000		
42	38 Part II Capacity Total	389,000	392,000	392,000	392,000	396,000	339,000	339,000	339,000	339,000	339,000	339,000	339,000	339,000	\$12,249,465
43	39														
44	40 Total Adjusted Network Peak	4,727,247	4,730,263	4,342,451	5,219,388	6,493,079	7,186,839	7,911,710	7,314,121	6,955,607	5,300,109	4,192,193	4,844,093	7,342,044	\$285,298,272
45	41 Average of Four Summer Months (June-September)														
46	42 Average of Eight Non-Summer Months														0.000
47	43 Average of Twelve Months														

## WORKSHEET - 2 Retail Allocation

Line #	CLASS	2014				4CP
		June	July	August	September	
		ADJ. PEAK CONTRIB (MW)	ADJ. PEAK CONTRIB (MW)	ADJ. PEAK CONTRIB (MW)	ADJ. PEAK CONTRIB (MW)	
1	RESIDENTIAL E-12	908.8	981.9	906.6	790.0	
2	RESIDENTIAL ET-1	625.3	718.1	682.8	561.7	
3	RESIDENTIAL ECT-1	173.5	198.6	188.1	156.9	
4	RESIDENTIAL ET-2	1050.3	1222.3	1215.1	1010.8	
5	RESIDENTIAL ECT-2	477.4	553.8	557.3	460.7	
6	RESIDENTIAL ET-SP	3.5	4.1	4.5	3.2	
7	TOTAL RESIDENTIAL (SUM LINES 1-6)	3238.8	3678.8	3554.2	2983.3	3,363.8
GENERAL SERVICE <3MW						
8	E-20	6.6	11.6	10.1	7.3	
9	E-221(Water Pumping Service)	44.9	42.3	36.1	37.0	
10	E-32TOU (0-100 kW)	4.7	5.6	4.9	5.1	
11	E-32TOU (101-400 kW)	10.0	10.9	9.6	10.0	
12	E-32TOU (401+ kW)	33.2	32.9	33.0	32.2	
13	E-32 (0-100 kW)	754.7	810.7	694.6	837.8	
14	E-32(101-400 kW)	506.5	554.4	455.8	529.1	
15	E-32(401+ kW)	380.2	447.0	371.6	402.6	
16	GSSSCHTOU	14.2	16.7	12.3	26.1	
17	MEXICO TAP < 3 MW	1.4	1.3	0.4	2.1	
18	TOTAL GENERAL SERVICE <3MW (SUM 8-17)	1756.4	1933.4	1628.4	1889.3	1,801.9
GENERAL SERVICE >3MW						
19	E-34	133.1	143.5	124.8	132.1	
20	E-35	256.4	248.8	229.1	253.8	
21	E-36	0.0	0.0	0.0	0.0	
22	SPECIAL	5.0	9.8	1.2	4.9	
23	MEXICO TAP > 3 MW	4.3	4.4	4.0	4.6	
24	TOTAL GENERAL SERVICE >3MW (SUM 19-23)	398.8	406.5	359.1	395.4	390.0
25	STREETLIGHTS	0.0	0.0	0.0	0.0	0.0
26	DUSK TO DAWN	0.0	0.0	0.0	0.0	0.0
27	SRP FRINGE CUSTOMER LOAD	2.0	1.8	1.9	1.7	1.9
28	LOSSES	712.0	804.0	739.3	674.6	732.5
29	Total System Load	6108.0	6824.5	6282.9	5944.3	6,289.9

						RETAIL TRANSMISSION REVENUE REQUIREMENT	PERCENTAGE
30	TOTAL RESIDENTIAL (LINE 7)	3238.8	3678.8	3554.2	2983.3	3,363.8	\$137,613,187 60.55%
31	GENERAL SERVICE 3 MW & GREATER						
32	E-34	133.1	143.5	124.8	132.1		
33	E-35	256.4	248.8	229.1	253.8		
34	MEXICO TAP > 3 MW	4.3	4.4	4.0	4.6		
35	SPECIAL	5.0	9.8	1.2	4.9		
36	E-36	0.0	0.0	0.0	0.0		
37	TOTAL 3 MW & GREATER (LINE 24)	398.8	406.5	359.1	395.4	390.0	\$15,952,988 7.02%
38	GENERAL SERVICE LESS THAN 3 MW						
39	RETAIL TARIFFS	1755.0	1932.1	1628.0	1887.2		
40	MEXICO TAP < 3 MW	1.4	1.3	0.4	2.1		
41	TOTAL LESS THAN 3 MW (LINE 18)	1756.4	1933.4	1628.4	1889.3	1,801.9	\$73,715,323 32.43%
42	Total	5394.0	6018.7	5541.7	5268.0	5,555.6	\$227,281,497 100.00%



### Limiting Determinants

[illegible]

## Worksheet 4 - Revenue Credits

## Account 454 - Rent from Electric Property

Description	Amount	\$ Included on Attachment 3
SCE 500kv Line	9,236,077	9,236,077
Attachment Fees for Joint Pole Use	892,077	
Land and miscellaneous	177,099	
Other	259,396	207,747
Total	10,564,649	9,443,825
Total 12ME Account 454	10,564,649	
Difference (must be zero)		

## Account 456 - Other Electric Revenues

Description	Amount	\$ Included on Attachment 3
PCS project	2,629,500	1,218,433
Revenue from Terminated Contract - PacifiCorp	2,000,000	
Facility Charges	710,904	
Fuel oil loading	976,120	
Yucca Management Fee	627,288	
Participant Station Power Revenue	136,363	
Effluent water rights	646,001	
Gila River Admin Fee	100,000	100,000
Salt River Project	68,080	68,080
Mead-Phoenix O&M	15,726	15,726
Sales for Resale	(759,784)	
Surepay and Autopay Discount	(1,509,350)	
Other	241,275	
Total	5,882,123	
Total Account 456 (p300.21.b.)	5,882,123	
Difference (must be zero)		(0)

## Account 456.1 - Revenues from Transmission of Electricity of Others

## Sum of Amount

## Type

Description	Customer Name	BD	TE	Other	Grand Total	Included in Divisor (Y or N)	\$ Included on Attachment 3	Network Trans Peak Report Line #
FNO	Ajo Improvement	\$ 104,420.00	\$ 56,310	\$ -	\$ 160,730	Y	\$ -	11
	Central Arizona Project	\$ 1,607,923.00	\$ -	\$ -	\$ 1,607,923	Y	\$ -	28
	Navajo Tribal Utility Authority	\$ 269,477.00	\$ (82,746)	\$ 54,182.00	\$ 240,913	Y	\$ 54,182	29
	Public Service of New Mexico	\$ 1,906,641.00	\$ -	\$ -	\$ 1,906,641	Y	\$ -	30
	Southwest Transmission Cooperative	\$ 203,896.00	\$ -	\$ -	\$ 203,896	Y	\$ -	31
LFP	AKChin	\$ 29,946	\$ (117,061)	\$ -	\$ (87,115)	Y	\$ (87,115)	
	PacifiCorp	\$ 1,323,077	\$ -	\$ -	\$ 1,323,077	Y	\$ -	34
	Public Service of New Mexico	\$ 357,588	\$ -	\$ -	\$ 357,588	Y	\$ -	35
	Salt River Project	\$ 10,630,434	\$ -	\$ -	\$ 10,630,434	Y	\$ -	33
	EDF Trading North America, LLC	\$ 100,111	\$ -	\$ -	\$ 100,111	Y	\$ -	36
OLF	NOVO BioPower LLC	\$ 500,694	\$ -	\$ -	\$ 500,694	Y	\$ -	37
	Luke AFB Main Base	\$ 173,763	\$ 676	\$ -	\$ 174,439	Y	\$ -	1
	Marine Corp	\$ 77,652	\$ -	\$ -	\$ 77,652	Y	\$ -	1
	Novo BioPower LLC	\$ -	\$ -	\$ 2,716	\$ 2,716	Y	\$ 2,716	
	Imperial Irrigation District	\$ -	\$ -	\$ 52,997	\$ 52,997	Y	\$ 52,997	
	Public Service of New Mexico	\$ 1,415,030	\$ -	\$ -	\$ 1,415,030	Y	\$ -	8
	Salt River Project Fringe	\$ 26,034	\$ -	\$ -	\$ 26,034	\$	\$ 26,034	
	Tucson Electric Power Company	\$ 1,824,000	\$ -	\$ 772,910	\$ 2,596,910	Y	\$ 772,910	
	Unit B Irrigation & Drain	\$ 540	\$ -	\$ -	\$ 540	Y	\$ -	7
	Yuma Cogeneration - Firm	\$ 1,171,007	\$ -	\$ -	\$ 1,171,007	Y	\$ -	9
SFP	Yuma-Mesa	\$ 4,500	\$ -	\$ -	\$ 4,500	Y	\$ -	1
	AZPS for APS Merchant P-T-P	\$ 706,741	\$ -	\$ 14,670	\$ 721,411	\$	\$ 721,411	
	Arizona Electric Power Cooperative	\$ 820	\$ -	\$ -	\$ 820	\$	\$ 820	
	Brookfield Energy	\$ 91,549	\$ -	\$ -	\$ 91,549	\$	\$ 91,549	
	City of Anaheim	\$ 2,218,005	\$ -	\$ -	\$ 2,218,005	\$	\$ 2,218,005	
	Guzman Power Markets LLC	\$ 2,564	\$ -	\$ -	\$ 2,564	\$	\$ 2,564	
	Central Arizona Water Conservation District	\$ 171	\$ -	\$ -	\$ 171	\$	\$ 171	
	EDF Trading North America, LLC	\$ 80,264	\$ -	\$ -	\$ 80,264	\$	\$ 80,264	
	El Paso Electric Company	\$ 2,308	\$ -	\$ -	\$ 2,308	\$	\$ 2,308	
	Florida Power & Light	\$ 1,668,861	\$ -	\$ -	\$ 1,668,861	\$	\$ 1,668,861	
	Gila River Power	\$ 138,743	\$ -	\$ -	\$ 138,743	\$	\$ 138,743	
	Iberdrola Renewables	\$ 2,399	\$ -	\$ -	\$ 2,399	\$	\$ 2,399	
	Imperial Irrigation District	\$ 5,649	\$ -	\$ -	\$ 5,649	\$	\$ 5,649	
	Macquarie Cook Power Inc.	\$ 15,939	\$ -	\$ -	\$ 15,939	\$	\$ 15,939	
	Morgan Stanley	\$ 226,934	\$ -	\$ -	\$ 226,934	\$	\$ 226,934	
	PacifiCorp	\$ 297,812	\$ 11,600	\$ -	\$ 309,412	\$	\$ 309,412	
	Nevada Power Company	\$ 19,724	\$ -	\$ -	\$ 19,724	\$	\$ 19,724	
	Powerex	\$ 24,079	\$ -	\$ -	\$ 24,079	\$	\$ 24,079	
	Public Service of New Mexico	\$ 36,065	\$ -	\$ -	\$ 36,065	\$	\$ 36,065	
	Salt River Project (OATT General Service)	\$ 30,051	\$ -	\$ -	\$ 30,051	\$	\$ 30,051	
	Salt River Project	\$ 282,954	\$ -	\$ -	\$ 282,954	\$	\$ 282,954	
	Shell Energy North America	\$ 52,334	\$ -	\$ -	\$ 52,334	\$	\$ 52,334	
	Southern California Edison Co.	\$ 27,005	\$ -	\$ -	\$ 27,005	\$	\$ 27,005	
	Sun Devil Power Holdings, LLC (Wheelback)	\$ 83,395	\$ -	\$ -	\$ 83,395	\$	\$ 83,395	
	TransAlta Energy Marketing	\$ 155,643	\$ -	\$ -	\$ 155,643	\$	\$ 155,643	
	Tucson Electric Power Company	\$ 394,176	\$ -	\$ -	\$ 394,176	\$	\$ 394,176	
	Tenaska Power Services Co.	\$ 39,807	\$ -	\$ -	\$ 39,807	\$	\$ 39,807	
NF	AZPS for APS Merchant P-T-P	\$ 288,835	\$ 1,152	\$ -	\$ 289,987	\$	\$ 289,987	
	Cargill-Alliant, LLC	\$ 43,138	\$ -	\$ -	\$ 43,138	\$	\$ 43,138	
	Brookfield Energy	\$ 7	\$ -	\$ -	\$ 7	\$	\$ 7	
	Central Arizona Water conservation District	\$ 183	\$ -	\$ -	\$ 183	\$	\$ 183	
	City of Anaheim	\$ 1,473	\$ -	\$ -	\$ 1,473	\$	\$ 1,473	
	EDF Trading North America, LLC	\$ 13,214	\$ -	\$ -	\$ 13,214	\$	\$ 13,214	
	El Paso Electric Company	\$ 4,684	\$ -	\$ -	\$ 4,684	\$	\$ 4,684	
	Florida Power & Light	\$ 238,438	\$ -	\$ -	\$ 238,438	\$	\$ 238,438	
	Gila River Power	\$ 13,677	\$ -	\$ -	\$ 13,677	\$	\$ 13,677	
	Iberdrola Renewables	\$ 7,304	\$ -	\$ -	\$ 7,304	\$	\$ 7,304	
	Macquarie Cook Power, L.P.	\$ 29,271	\$ -	\$ -	\$ 29,271	\$	\$ 29,271	
	Mag Energy Solutions	\$ 54,022	\$ -	\$ -	\$ 54,022	\$	\$ 54,022	
	Morgan Stanley	\$ 202,757	\$ -	\$ -	\$ 202,757	\$	\$ 202,757	
	Nevada Power Company	\$ 2,730	\$ -	\$ -	\$ 2,730	\$	\$ 2,730	
	PacifiCorp	\$ -	\$ 62,419	\$ -	\$ 62,419	\$	\$ 62,419	
	PacifiCorp	\$ 320,819	\$ -	\$ -	\$ 320,819	\$	\$ 320,819	
	Portland General	\$ 3,684	\$ -	\$ -	\$ 3,684	\$	\$ 3,684	
	Powerex	\$ 22,707	\$ -	\$ -	\$ 22,707	\$	\$ 22,707	
	Public Service of New Mexico	\$ 16,936	\$ -	\$ -	\$ 16,936	\$	\$ 16,936	
	Pugent Sound Energy	\$ 7	\$ -	\$ -	\$ 7	\$	\$ 7	
	Salt River Project	\$ 481,177	\$ -	\$ -	\$ 481,177	\$	\$ 481,177	
	Salt River Project (OATT General Service)	\$ 20,417	\$ -	\$ -	\$ 20,417	\$	\$ 20,417	
	Sempra Trading Corp	\$ 308	\$ -	\$ -	\$ 308	\$	\$ 308	
	Shell Energy North America	\$ 11,399	\$ -	\$ -	\$ 11,399	\$	\$ 11,399	
	Southern California Edison Co.	\$ 57,866	\$ -	\$ -	\$ 57,866	\$	\$ 57,866	
	Tenaska Power Services Co.	\$ 32,896	\$ -	\$ -	\$ 32,896	\$	\$ 32,896	
	TransAlta Energy Marketing	\$ 194,799	\$ -	\$ -	\$ 194,799	\$	\$ 194,799	
	Tri-State G&T (was Plains G&T)	\$ 677	\$ -	\$ -	\$ 677	\$	\$ 677	
	Tucson Electric Power Company	\$ 688,798	\$ -	\$ -	\$ 688,798	\$	\$ 688,798	
	Western Area Power Admin. (DSW)	\$ 154	\$ -	\$ -	\$ 154	\$	\$ 154	
AD	Yuma Cogeneration Association	\$ 238	\$ -	\$ -	\$ 238	\$	\$ 238	
	Other	\$ -	\$ -	\$ (981,924)	\$ (981,924)	\$	\$ (981,924)	
Grand Total		\$ 31,883,340	\$ (142,821)	\$ (8,278)	\$ 30,931,241	\$	\$ 30,931,241	

Difference (must be zero)

Total 9,286,248  
Exclude PTP Scheduling from Ancillary Services 69,740  
Total Revenue Credits 9,216,508

Worksheet 5 - Prepaid Items

Component (5)	BOY	EOY	AVG	100% Non-Transmission Related (1)	100% Transmission Related (2)	Gross Plant Related (3)	Labor Related (4)
PREPAID Insurance	6,996,945	6,474,616	6,735,780			6,474,616	
Federal tax receivable	(9,715,535)	0	(4,857,768)			0	
Income tax receivable	131,051,226	0	65,525,613			0	
Sales tax receivable	9,201,241	0	4,600,621			0	
PREPAID INSURANCE	470,543	501,686	486,114			501,686	
PPD POSTAGE-PERMITS/METERS	58,834	141,308	100,071			141,308	
MISC PREPAIDS	167,000	176,737	171,868			176,737	
<b>Total Plant Related</b>	<b>138,230,254</b>	<b>7,294,346</b>	<b>72,762,300</b>			<b>7,294,346</b>	
Prepaid postage	1,082,647	287,531	685,089				287,531
HR misc	50,000	419,826	234,913				419,826
Vehicle licenses	364,150	362,871	363,510				362,871
Prepaid travel	367,138	136,535	251,836				136,535
PPD SOFTWARE MAINT CONTRACTS	9,787,259	11,754,107	10,770,683				11,754,107
<b>Total Labor Related</b>	<b>11,651,194</b>	<b>12,960,868</b>	<b>12,306,031</b>				<b>12,960,868</b>
POWER MARKETING PREPAIDS	596,480	562,679	579,579	562,679			
PREPAYMENTS-MISC BUSINESS LICE	9,316	3,480	6,398	3,480			
REGULATORY COMMISSION EXP-ACC	2,917,914	3,103,915	3,010,915	3,103,915			
REGULATORY COMMISSION EXP-RUCO	272,686	276,096	274,391	276,096			
NAVAJO PLANT LEASE	-	85,176	42,588	85,176			
Foothills lease	34,688	43,886	39,287	43,886			
Schools and governments	14,618	14,618	14,618	14,618			
U of A weather forecasting	0	126,233	63,117	126,233			
Luke Solar lease	0	250,071	125,036	250,071			
City of Phoenix solar	0	131,456	65,728	131,456			
Chino	29,770	29,770	29,770	29,770			
Distribution right of way	45,000	36,261	40,630	36,261			
Barclay's line of credit	32,500	17,500	25,000	17,500			
Legends Entertainment Dist	253,422	626,985	440,204	626,985			
PV prepaid invoices	758,370	676,956	717,663	676,956			
Acquired coal bonuses	1,557,968	1,410,709	1,484,338	1,410,709			
Misc business license	525	460	493	460			
ACC DOCUMENT FEES	7,700	7,700	7,700	7,700			
SROG Water Payment	18,269	18,269	18,269	18,269			
<b>Total Non-Transmission Related</b>	<b>6,549,226</b>	<b>7,422,220</b>	<b>6,985,723</b>	<b>7,422,220</b>			
500 kv capacitor bank	7,840,563	2,889,352	5,364,958		2,889,352		
Transmission right of way	2,132,940	2,174,593	2,153,767		2,174,593		
Forest Service Agreement	315,000	0	157,500		0		
Wheeling Prepaid Expense	100,000	100,000	100,000		100,000		
<b>Total Transmission Related</b>	<b>10,388,503</b>	<b>5,163,946</b>	<b>7,776,224</b>		<b>5,163,946</b>		
<b>Grand Total</b>	<b>166,819,177</b>	<b>32,841,381</b>	<b>99,830,279</b>	<b>7,422,220</b>	<b>5,163,946</b>	<b>7,294,346</b>	<b>12,960,868</b>

ARIZONA PUBLIC SERVICE COMPANY  
WORKSHEET - 6 Depreciation Rates  
TRANSMISSION DEPRECIATION COMPOSITE RATE AS OF 12-31-2014

Company	Municipal Class	Asset Group	Asset Description	(A) Cost of Material	(B) Days Rate	(A)*(B)=(C) Total Rate	(D) Balance EOY 2014	(C)*(D) Rate * Bal	Comp. Rate
Arizona Public Service	Transmission Plant - Electric	00 35200 Struc & Improvements	FERC	-0.01%	1.85%	1.84%	90,565,231.63	1,666,400.26	
Arizona Public Service	Transmission Plant - Electric	00 35300 Substation Eq, FERC Jur	FERC	0.04%	2.10%	2.14%	828,316,374.36	17,725,970.41	
Arizona Public Service	Transmission Plant - Electric	00 35400 Towers & Fdn, FERC Jur	FERC	-0.03%	1.37%	1.34%	89,849,885.82	1,203,988.47	
Arizona Public Service	Transmission Plant - Electric	00 35501 Wood & Oth Poles & Fxt	FERC	0.34%	1.87%	2.21%	67,289,786.37	1,487,104.28	
Arizona Public Service	Transmission Plant - Electric	00 35502 Steel Poles & Fixtures	FERC	0.35%	1.75%	2.10%	389,760,362.20	8,184,987.61	
Arizona Public Service	Transmission Plant - Electric	00 35600 OH Cond & Dev, FERC Jur	FERC	0.31%	1.56%	1.87%	350,780,284.68	6,559,778.32	
Arizona Public Service	Transmission Plant - Electric	00 35700 UG Conduits	FERC	-0.02%	1.57%	1.55%	20,946,614.61	324,672.53	
Arizona Public Service	Transmission Plant - Electric	00 35800 UG Conductors	FERC	-0.24%	1.57%	1.33%	34,517,731.56	459,085.83	
FERC Jurisdiction EOY 2014 Balance							1,872,036,271.23		
Worksheet 6 Totals							2,201,581,297.68	37,611,987.71	2.01% Annual 0.17% Monthly
FF1 Page 204-207 Transmission Ending Balance							2,201,581,299.00		
							(1.32)		

\* All Non-FERC Jurisdictional assets are excluded from the Depreciation Rate Calculation